Daily Report

Latin America

FBIS-LAT-95-063
Monday
3 April 1995

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FBIS-LAT-95-063 *3 April 1995*

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Central American Presidents Sign Immediate Action Program

PA0204001595 San Salvador EL DIARIO DE HOY in Spanish 31 Mar 95 p 3

[Report by Ismael Beltran Solano]

[FBIS Translated Text] The seven presidents of the Central American isthmus yesterday signed an Immediate Action Program Derived From the Second San Salvador Declaration for Investment in Human Capital. Following are the 15 [as published] points of the program:

1. They instruct the Social Integration Council to formulate and adopt the Regional Social Policy by September 1995 at the latest.

2. They instruct the ministers of planning and finance so that by November 1995 at the latest, they may implement new national and regional mechanisms allowing them to increase funding for social investment programs.

3. They will convene a meeting of cooperating parties to expand and seek new mechanisms of international cooperation, in addition to the national efforts.

4. They will prepare a proposal for updating and harmonizing national legislation regarding the family, within the new context of protection and promotion of their rights.

5. They will consolidate the national women's offices in each country, placing them at a high government level so they can help women overcome difficulties and ensure them equal opportunities in all fields.

6. They will instruct national institutions to review and update the National Children's Plans, submitting said information to the Social Integration Council by July of this year at the latest.

7. A Central American action plan for the technical and professional training of the work force that will include a greater participation of the private sector will be developed.

8. They will prepare a proposal containing mechanisms that support micro and small enterprises and help the informal sector increase its productivity and achieve a greater integration into the formal economy.

9. They will develop a health promotion and education program that foments integral health, strengthens healthy lifestyles, and develops a responsibility for individual and collective health.

10. They will instruct the Social Integration Council (CIS) to take appropriate action, in coordination with the meeting of the health sector in Central America, to seek financing for implementing the health initiative in Central America.

11. They will formulate and implement a regional program of training and exchange of experiences in the modernization of public sector institutions.

Pledge To Combat Poverty

PA0104234095 Panama City ACAN in Spanish 2114 GMT 31 Mar 95

[By German Reyes]

[FBIS Translated Text] San Salvador, 31 Mar (ACAN-EFE)—The 16th Central American Summit, which many commentators characterized as "very chatty," concluded on 31 March with a pledge by the presidents to implement programs to combat poverty, although they did not establish a deadline for fulfilling the pledge they made on paper.

After signing the Second San Salvador Declaration, the presidents reiterated at a news conference that to combat poverty it is necessary to take immediate action with the participation of all the social sectors and the cooperation of the international community.

Guatemalan President Ramiro De Leon Carpio, speaking to ACAN-EFE, said that the Central American people's pledge "should not be limited to a speech," and he underscored that wars should not have taken place in the region.

De Leon Carpio added that during the "Cold War" the East and the West provided the money and weapons, while this region provided "the dead."

The president pointed out that to combat poverty "fixed deadlines cannot be established but effective actions and responsibility for their implementation can be."

Honduran President Carlos Roberto Reina said that the presidents would return to their countries to continue the "intense effort" that the struggle against poverty demands, a task which, he stressed, does not belong solely to the government but also to the private sector and the rest of society.

Costa Rican President Jose Maria Figueres said that the conditions exist in Central America to combat poverty with our own resources as well as with international aid, which should not be viewed as a gift but as a complement to development programs.

In Figueres' opinion, the best joint investment would be to guarantee efficient health and education systems for future generations.

Similar ideas were expressed by Salvadoran President Armando Calderon Sol, who also asked the maimed war veterans, who are demanding the rights they acquired in the peace agreements, not to carry out violent actions such as the ones they announced today, on the eve of UN Secretary General Butrus-Ghali's visit to El Salvador on 1 April.

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Calderon Sol said that due to economic woes, two problems with the former fighters have not been resolved, and he reiterated that his administration will fulfill the peace agreements and that he hopes the Farabundo Marti National Liberation Front (FMLN) will do the same.

Nicaraguan President Violeta Chamorro, who was asked no questions during the news conference, addressed the reporters before one of them asked De Leon Carpio a question. She asked the news media to help the governments overcome poverty.

She added that the signing of the Central American Social Integration Treaty is an act of "love and affection for all of humanity and Central America."

She also said that at the international level, newspapers covering Central America report only negative things "that emerge from I do not know where."

Meanwhile, the Guatemalan president expressed satisfaction upon hearing in San Salvador that today in Mexico the agreement on the identity and rights of the indigenous people of Guatemala was signed.

De Leon Carpio said that the signing of the agreement constitutes another step on the path to peace in Guatemala and that if "an agreement to end the war was prsented to me right now in El Salvador, I would immediately sign it."

During the summit, the region's presidents and Belizean Prime Minister Jose Manuel Esquivel expressed support for their Guatemalan colleague for his efforts to achieve peace in that nation and they demanded that certain armed redoubts that are still operating in the region cease armed actions that affect the civilian population.

Panamanian President Ernesto Perez Balladares and the Belizean prime minister did not attend the closing of the 16th summit because they returned to their countries on Thursday.

Honduran President Carlos Roberto Reina announced that the 17th summit will be held in his country, possibly in October.

Peruvian-Ecuadoran Separation of Forces Continues

PY0104030195 Lima Global de Television Network in Spanish 0130 GMT 01 Apr 95

[FBIS Translated Text] The separation of Peruvian and Ecuadoran forces at the front line continues, free of any incidents, and they are concentrating at the sites established in the Itamaraty Peace Agreement.

According to the military observers in Peru and Ecuador, the withdrawal of troops is developing in compliance with the agreed upon plan.

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Cuba

Commentary: 'Reactionary' U.S. Politicians 'Real Danger'

FL3103181695 Havana Radio Rebelde Network in Spanish 1255 GMT 31 Mar 95

[Eduardo Dimas commentary; from the "Doing Radio" program]

[FBIS Translated Text] An impressive number of U.S. politicians realize that an old imperialist dream will soon be a reality: The American century [el siglo Americano]—100 years of U.S. domination over the rest of the world—will soon be a reality. With the disappearance of the socialist camp, it has never been closer to becoming a reality. However, not all countries trust the United States as it pursues its interests. Trade conflicts with Japan and Europe and the decision of the European Union, Canada, and many other nations to resist submitting to the demands of the blockade of Cuba—as well as their votes against the Cuban blockade—are good examples that illustrate my point. The imperialist mentality remains very dangerous, nevertheless, considering these demands and the associated dominance.

House Speaker Newt Gingrich, Congressman Dan Burton, and Senator Jesse Helms—all Republicans—lead this gang. They promote their respective legislative efforts in a bill that attempts to engage the world in the blockade against Cuba and impose sanctions against countries, enterprises, and businessmen that maintain economic ties with Cuba. Gingrich is the mastermind of the so-called Contract with America, which we referred to in a previous commentary. It seeks to reduce government expenditures at the expense of the poor, increase national defense capability, and reduce taxes on the rich. When a nation attempts to increase its defense budget in the absence of any threat to national security, it is either because that nation is preparing to attack another or it is increasing its capacity to dominate others by force. The latter seems to be the most acceptable version since the East-West conflict no longer exists and since it is unlikely that U.S. military supremacy will be questioned in the next 10 to 20 years.

However, the economic arena is another matter. The European Union and Asian nations—led by Japan—can snatch economic supremacy away from the United States by the beginning of the 21st Century.

Is this the cause or is it just pressure from the industrial military complex, which is used to obtaining enormous profits? Or perhaps, as it is already known, it is that the developed nations will have to face huge social upheaval in the Third World if the problem of poverty is not resolved soon? After all, the United States is not the only nation that builds ultramodern conventional weapons for eventual wars or interventions in the Third World.

Dan Burton, chairman of the House Subcommittee on Hemispheric Affairs, suggested on 19 March that the United States station aircraft carriers off the Bolivian coast and use them to spray chemicals on the coca fields of the Andean Altiplano. He added in all seriousness that the U.S. Government should eradicate coca fields in Peru and Bolivia, against the wishes of their respective governments. Despite the fact that Bolivia has no coastline—which Mr. Burton apparently is unaware of—his words reflect a supreme disrespect for the sovereignty of two Latin American nations.

The American century, with all its dreams of grandeur and dominance, is no longer possible. No one disputes that the United States is the most powerful nation in the world, but it cannot impose its values at all times in every place, even though sometimes it succeeds in doing so. The reactionary politicians' statements and projects are not accomplishing this. What would happen if tomorrow they gain enough power to achieve their goals? This is a very real danger for the world, right now and in the future. Therefore, it is not pointless to heed the threats they make and act accordingly.

TV Notes 'New Chapter in Occupation' of Haiti

FL0104201495 Havana Tele Rebelde Network in Spanish 1730 GMT 1 Apr 95

[From the "NTV" newscast]

[FBIS Translated Text] A new chapter in occupation has opened in Haiti, this time under the UN flag. However, the extreme poverty and strong political tensions have not changed. International correspondent Fritz Suarez Silva has more details:

[Suarez, in studio] We will discuss the transfer of power in Haiti from the United States to the United Nations. I say that the United States is handing power to the United Nations because the current 6,000-strong multinational force is predominantly made up of U.S. forces. This transfer of command in Haiti takes place almost six months after the U.S. military entered Haiti—on 19 September—with the participation of over 23,000 U.S. soldiers in that new occupation of Port-au-Prince.

The ceremony was carried out amid great tension following the assassination of Mireille Durocher, an opposition leader who opposed U.S. intervention in Haiti. It is also said that this lady was a victim of a plot by the Haitian interior minister, currently under FBI investigation. Despite the fanfare surrounding the ceremony, U.S. television pictured Haiti very much like an occupied nation: All you saw in the streets were uniformed soldiers carrying weapons so that Butrus-Ghali and President William Clinton could attend the ceremony marking the transfer of power in Haiti. There were strong disturbances shortly after the ceremony and an exchange of gunfire at the national prison in Port-au-Prince, close to the National Palace. The cause of the disturbances is unknown. Clinton appeared concerned about Haiti's safety, especially during the parliamentary

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elections in July and during preparations for the presidential elections in December and January. Clinton assured that he would keep well apprised of the situation in Haiti for two reasons: one, because of the potential for political danger or coup d'etat; two, to make certain that President Jean-Bertrand Aristide does not depart from the rules established by the U.S. occupation and the reinstallment of the constitutional president.

Russian Visitor Notes Duma's Rejection of U.S. Blockade

PA0204015995 Havana PRENSA LATINA in Spanish 0911 GMT 31 Mar 95

[FBIS Translated Text] Havana, 31 Mar (PL)—A visit to Cuba by a delegation of Russian legislators headed by Sergey Glazyev, chairman of the Duma's (lower house) Economic Policy Committee, will end today with a tour of tourist facilities in the capital

The group, which was invited by the National Assembly of the People's Government (parliament), arrived in Havana on 24 March to deepen relations between the two countries.

The head of the Russian delegation pointed out in statements to the media that the Duma recently uninanimously approved a motion to reject the U.S. blockade against Cuba and underscored that this action reflects the support of Russian deputies to the Caribbean nation.

During their stay on the island the delegation extensively toured economic and scientific centers of the Provinces of Havana and Matanzas and met with leaders of the parliament and the Ministries of Foreign Relations, Foreign Investment and Economic Cooperation, and Tourism.

Among the places visited are the Carlos J. Finlay Institute, which is dedicated to vaccine research and production, the Center for Genetic and Biotechnological Engineering, a supertanker station, and a petroleum area in the western region.

Russian Delegation Concludes Visit

FL3103190495 Havana Radio Rebelde Network in Spanish 1255 GMT 31 Mar 95

[From the "Doing Radio" program]

[FBIS Translated Text] The Russian legislative delegation led by Economic Policy Committee Chairman Sergey Glaziyev concludes its eight-day official visit to Cuba at the National Assembly of the People's Government's [ANPP] invitation today. Glaziyev and his delegation have been touring economic and social facilities—such as the Engineering, Energy, and Biotechnology Center and the Antillana Steel Plant, in Havana—since 24 March. The delegates toured other Havana and Matanzas sites, including the supertanker base in Matanzas. They also met representatives from the ANPP, the Foreign Ministry, and the Foreign Trade Ministry.

Panel Discusses 'Third Blockade'

FL3103234795 Havana Radio Rebelde Network in Spanish 1700 GMT 27 Mar 95

["Straight Talk" program with host Juan Carlos Roque Garcia and guest Oslvado Rodriguez from BOHEMIA magazine—live or recorded]

[FBIS Translated Text] [Roque] Today, we are going to discuss the third blockade. In other words, the subjective blockade, the blockade that takes place domestically among enterprises and among ourselves when it comes to producing and overcoming Cuba's current crisis.

[Rodriguez] Yes. I believe it is important to resurrect this issue because everyone is aware of the existence of this third blockade, but we all see the straw in our neighbor's eye, but fail to see the pillar in our own. In Cuba today, as we are experiencing an extremely difficult economic crisis, we must find the means to make our internal processes more flexible, particularly the economy because the economy is closely linked to our lives. What is happening? Today, more than ever, we need flexibility, more movement throughout the entire chain of the Cuban economy. When you have fewer resources, you have to use them more efficiently. This means reducing stagnation as much as possible. However, bureaucratic roadblocks continue restricting economic flexibility. I am not going to give a lecture on bureaucracy. I am going to be more practical, more to the point. Cuban businessmen keep calling for more autonomy. I have seen many who have done things successfully, thanks to autonomy. However, in other places, they have not known what to do with that autonomy because at times, autonomy is misinterpreted. Autonomy does not mean doing whatever one wants, but rather, having a group of norms, or guidelines, and being able to develop initiatives within those guidelines; not the development of independent policies, but having mobility within an established policy.

[Roque] However, in order to develop that mobility and to progress, one must establish interrelationships with other enterprises. That is the problem; the third blockade surfaces.

[Rodriguez] Of course. I would be even more specific about the third blockade. I would say that it begins at the workbench. At times, the third blockade originates at the workbench. Let us say that I need a specific tool to be able to do my work. You have only one spare in the storage bin, and since it is important to maintain a spare, you do not give it to me. I therefore cannot do my job, although the tool is sitting right there in the storage bin. That is what the third blockade stems from. We must look at this from the lowest level.

[Roque] We can also see the third blockade in other aspects—mainly when there are poor work attitudes, when there is no discipline, or when a worker is inefficient. These factors also influence the quality of the performance, the enterprise's prospects to get ahead. This can also be seen as an expression of the internal blockade.

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[Rodriguez] Of course. I believe that the internal blockade will be resolved by establishing a direct link between economic profit and the individual's earnings. This has been said many times, but it has not gone beyond mere words. You know the maxim of socialism: To each according to his work, and from all according to their abilities. Yet, this has not been the case. Not everyone has been provided for according to his labor.

[Roque] Today's subject come from our listeners' letters. Let us discuss why this happens in the enterprises and why there is an inclination to always speaks in the third person, as you said earlier. We can always see the straw in our neighbor's eye but most of the time we are unable to acknowledge that we are the ones creating the third blockade. We contribute to maintaining it, hamper productivity.

[Rodriguez] Yes. You asked me about the causes. I believe that we have to analyze the causes of this type of problem in order to eliminate it and the third blockade. The third blockade will not be eliminated with slogans or Straight Talk discussions. I am trying to bring the issue to the forefront to encourage reflection among those of us who hinder things, which I believe is the great majority. I do not believe that there is a minority hurting a majority, but a majority causing problems for itself and the rest of the population.

This is why I believe that the first cause is the problem at the lowest level, at the workbench. We could also bring this up to the enterprise level or the level of the national economic structure, to which we have adhered for so many years.

[Roque] However, there are reasons for all these attitudes. We have to find the root of why this happens.

[Rodriguez] I believe we must begin with the economic structure: How that structure was established, and how finance lost its role in the economy.

[Roque] I agree. This is one of the factors.

[Rodriguez] A very important factor. Financial considerations stopped playing a role in the economy. There is another important factor: The socialist maxim was not followed. The worker does not receive according to his labor, but rigidly, regardless of performance. When I say worker I mean from the laborer to the manager.

[Roque] We are talking about rigid pay mechanisms.

[Rodriguez] That is it. That is the second problem. There is a third problem. Certain phases of our economic relations with the socialist bloc were forced. The productive forces were not developed at the same speed as the technology. There were technologies that went way beyond the productive forces. Yet, at the same time... [changes thought] we always have to consider the U.S. blockade's effect—any analysis of Cuba from the sixties onward will inevitably include the U.S. blockade.

[Roque] I partially disagree with you there. How can we blame the third blockade on the U.S. blockade? Is there some connection?

[Rodriguez] I'll explain myself. What happened was that the constant threat of the U.S. blockade hanging over our heads like a sword of Damocles, the possibility that at any moment we could be invaded, or blockaded by sea, created a war mentality, and in a war you must have reserves. Those reserves were large warehouses filled with many resources, enormous amounts of resources. The source of those supplies was 10,000 km away across the ocean, and since the source of supply was so far away, we ensured a steady flow of supplies to Cuba in ever-increasing amounts and diversity.

[Roque] Hence, the spare-supplies mentality.

[Rodriguez] That and waste and high levels of consumption. We got used to high levels of consumption. This put the economy in disarray. This undoubtedly created a mindset and bad economic habits, in which solutions and variants were not sought. We forgot that we live in a poor, underdeveloped nation, a Third-World nation.

[Roque] Yet, at the time, we sported a First-World mentality.

[Rodriguez] Not even that! I believe that....

[Roque, interrupting] I mean mentality in the sense of wanting and getting things without projecting what was truly needed, or being in touch with the reality. Many odd things were shipped to Cuba. We bought—I am not going to speak in the third person—things were bought abroad that should never have been bought, things we didn't need.

[Rodriguez] Yes, but you said First-World mentality. The difference is that the First World is very rational. Its consumption is rational. The United States is the only large capitalist country with a wasteful mentality. However, in general, even the American people, although a wasteful, consumerist society, is highly rational in terms of consumption for production, but not at the domestic level.

[Roque] I agree.

[Rodriguez] I believe that although it is very difficult to cover this issue in one program....

[Roque, interrupting] You said you were just broaching the subject. This program does not aim to discuss and define everything about the issue. We are not going to issue a formula. We are conducting an analysis, making the people think.

[Rodriguez] Of course. We must note that autonomy is necessary. It is necessary to copy, as dynamically as possible, the most positive experiences in the world, regardless of the source. This compels us to take a look at the economy of the developed nations. In the developed countries, there is centralization because the state has

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certain controls over the economy, but there is also a high degree of decentralization. There is autonomy, together with a high level of control. They also have a great capacity to readapt.

[Roque] To this element of control you mention, which is very important, we could add the high standards that each enterprise and job demands. I am convinced that we have not undertaken production as we should have because we still do not feel like the product's owners.

[Rodriguez] You feel like the owner when you see benefits at the personal level, in your own family. Unless you receive those benefits personally, you end up with today's situation, in which we believe that the manager, who makes all the decisions and takes all the risks at the enterprise, is the owner, and we work for him.

[Roque] As a result, whenever we criticize or reproach a manager or official, we fail to see that the mistakes, the difficulties in many instances stem from the attitude of the people at the base level.

[Rodriguez] There are many interesting experiences in Cuba with joint enterprises. For example: Ponton Caribe Publishing, where we print the international edition of BOHEMIA magazine. This enterprise has 17 workers and one Cuban manager. The only foreigner is a Spaniard who is the head of the shop. They are experienced workers. They have high standards and feel they are the owners. They are working at a level of autonomy, a level of seriousness and continuity that makes them stick out. There is the case of Sol Palmera, and many other good examples.

[Roque] The important thing is that they are proud of their work and the profits.

Foreign Minister Meets Visiting Mexican Legislators

FL3103193995 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Mar 95

[From the "National Radio News"]

[FBIS Translated Text] The Mexican National Action Party senators who arrived in Cuba on 30 March met Foreign Minister Roberto Robaina today as part of a busy schedule that included meetings with Carlos Lage, vice president of the Council of State, and Ernesto Melendez, foreign investment and economic cooperation minister. Robaina welcomed the senators and expressed the Cuban Government's satisfaction with their visit. Robaina, Vice Foreign Minister Jorge Bolanos, and other Foreign Ministry officials then held an animated discussion with the senators. The senators later met Havana City historian Eusebio Leal in downtown Havana. The delegates met President Fidel Castro shortly after arriving on 30 March. They discussed the current situation in Cuba and international issues. The delegation will leave Cuba on 2 April.

Castro Meets Visiting Legislators

FL0104131895 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Apr 95

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro met Mexican National Action Party senators at Havana's Melia Coiba Hotel on 31 March. Carlos Lage, who also attended the meeting, discussed the Cuban investment process and Melia Coiba Hotel operations. The hotel opened last month.

Holds Meeting With Legislators

PA0204202195 Havana PRENSA LATINA in Spanish 1004 GMT 1 Apr 95

[FBIS Translated Text] Havana, 1 Apr (PL)—Cuban President Fidel Castro spotlighted the success in his country of joint tourism investments during a second meeting with a delegation of Mexican legislators visiting the island.

The Cuban president unexpectedly joined a meeting the evening of 30 March among legislators of the National Action Party (PAN) and Vice President Carlos Lage and officials of the Cuban tourism area.

The head of state arrived at the modern Cohiba Hotel, in the downtown area of this capital, more than an hour after the visitors had started touring its facilities and had started a dialogue with Lage and Abraham Maciques, president of the Cubanacan Corporation.

The congressmen were briefed on labor-management relations after learning about local tourism development plans, which seek to bring in 3 million tourists by the year 2000, as well as about the success experienced by foreign interests in recovering their invested capital.

Fidel Castro said in this regard the coordination existing here is ideal for businessmen, more so than in any other part of the world, because workers are concerned about company success. Businessmen can coordinate efforts and achieve excellent harmony in the workplace here, he added.

In response to a question, the Cuban president, just as the manager of the Cohiba Hotel had done earlier, praised the work done by unions and political organizations operating at the tourist centers.

Castro said being a communist militant is not a privilege; it implies the greatest sacrifices, and he praised the system allowing the transfer of technology to local young workers from foreign specialists.

As an example of this joint work, he mentioned a hotel with Cuban-Mexican investment in the beach town of Varadero, which maintains an occupancy rate of between 80-90 percent.

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In response to another question, Lage said there is no drug trafficking and organized crime in Cuba, and this ensures an atmosphere of great social security.

The Mexican legislators met on 30 March with Ernesto Melendez, minister of foreign investment and economic cooperation, and attended a cocktail party in their honor offered by Ricardo Alarcon, president of the Cuban parliament.

Delegation Expects 'Fruitful Exchange'

PA0204015695 Mexico City NOTIMEX in Spanish 2155 GMT 30 Mar 95

[FBIS Translated Text] Havana, 30 Mar (NOTIMEX)—Senator Enrique Jimenez Remus said here today that the Mexican opposition Natonal Action Party [PAN] will support a united effort by the Latin American legislative bodies to oppose the U.S. blockade against Cuba.

Jimenez Remus, who heads the delegation of 21 PAN legislators, told reporters on Thursday that "this is one of the issues we expect to discuss with Cuban President Fidel Castro, as we are concerned about Cuba's situation."

Jimenez Remus thanked the Cuban legislature for facilitating an invitation by Castro himself for them to visit the island. He added that "we would support action to have all of Latin America's legislative organizations speak out against the continued criminal embargo."

Jimenez Remus and his delegation were welcomed at the Jose Marti Airport by the Jorge Lezcano, chairman of the Foreign Relations Committee of the National Assembly of the People's Government, and other officials of the ruling Communist Party of Cuba.

The visit by the PAN delegation began on 30 March and will conclude on 2 April. The delegation will meet with the island's officials and "learn about Cuba's reality first-hand." The PAN is the second biggest Mexican electoral force "aspiring for political power," according to Jimenez Remus.

Jimenez Remus told NOTIMEX that he supports the idea of President Ernesto Zedillo's administration's to summon a second phase of the Tlatelolco Treaty to prohibit the construction and distribution of conventional offensive weapons in Latin America and the Caribbean.

He added that "disarmament is a minimum requirement for all of the Ibero-American nations to sit down and discuss in a civilized way. This second phase will be another very important Latin American debate, and it is coming very soon."

The congressman said that he and his colleagues came out of solidarity and "to be able to talk about the Cuban situation in our own manner." He said relations between Mexico and Cuba are "stronger every day."

"If we want to be in power in the year 2000, and everything seems to indicate we will, we must begin to strengthen our foreign relations from now, through this parliamentary group," he stated.

He said he expected to have a fruitful exchange with the island's government and denied that the current economic crisis facing his country could affect bilateral relations.

The delegation will meet with Foreign Minister Roberto Robaina, Vice President Carlos Lage, and with Ernesto Melendez and Osmany Cienfuegos, the ministers of foreign investment and tourism, among other officials.

Lezcano offered the PAN senators the possibility of an "open and broad dialogue on any issue they would like to discuss with us. It will be a frank, open, and straightforward conversation among brothers."

Among the visitors are former PAN leaders Luis H. Alvarez and Jose A. Conchello, as well as industrialist Mauricio Fernandez Garza, who has business relations on the island.

The group is accompanied by almost a dozen Mexican journalists from the leading Mexican news media.

The delegation includes: Enrique Gabriel Jimenez Remus, Luis H. Alvarez, Javier Alvarado, Luis Felipe Bravo, Maria del Carmen Bolado del Real, Juan de Dios Castro, Jose Angel Conchello, Norberto Corella, and Mauricio Fern ndez Garza.

Other members of the delegation are Enrique Franco, Rafael Jose Goicochea, Luis Gonzalez, Enrique Hernandez, Jose Fernando Herrero, Jose Natividad Jimnez, Pedro Macias, Jose Ramon Medina, Arturo Nava, Benito Rosell, Rosendo Villarreal and Leonardo Yanez.

Straight Talk on Tourism

FL3103225095 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Mar 95

["Straight Talk" program with host Juan Carlos Roque Garcia and guest Osvaldo Rodriguez]

[FBIS Translated Talk] [Roque] The tourism industry will become one of our main sources of foreign currency in Cuba. We will therefore again address this topic with guest Osvaldo Rodriguez from BOHEMIA magazine, who will offer his views and discuss where are we heading with tourism.

[Rodriguez] It is important to discuss this issue because when we say that tourism can become the main source of foreign currency, we always assume that no more sugar will be planted in Cuba and the sugar industry will die. Yet, Cuban development—or the end of underdevelopment and the economic crisis—is based on a sugarcane solution. I do not mean selling sugar—we are all aware of its price on the international market—but exploiting the sugarcane industry to its maximum.

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Strictly speaking, and based on the income from sales of sugar and tourism, there are predictions that tourism will dominate sugar. However, I want to make it clear that the sugar industry as a whole will always be our primary source of income.

[Roque] It therefore has priority, though not the full attention it deserves, due to a shortage of resources.

[Rodriguez] I agree. I stressed the necessity of comparing tourism and sugarcane sales—excluding other additional sugarcane by-products—when I stated that tourism will become the main source of foreign currency. There are also sugarcane by-products, such as the medicine, PPG, which is one of the many ways to exploit the sugarcane industry in biotechnology.

Following this clarification, allow me to return to tourism, which is ultimately the issue at stake. It is said that tourism will be our main source of foreign currency, but we all know that international tourism in not yet fully exploited.

[Roque] This is particularly noteworthy, and many listeners have written about this topic. There are many hotels not fully occupied, with empty rooms. In addition, it is said that only 30 percent of the rooms are occupied regularly.

[Rodriguez] Also new rooms are being built.

[Roque] That is precisely the contradiction. Why do we keep building new rooms when the current number of tourists visiting Cuba do not fill the existing rooms?

[Rodriguez] Before 1959, Cuba was the main tourism destination in the Caribbean, especially for U.S. tourists. The United States is the most developed country in the world, with the highest standard of living, and U.S. tourists are the ones who spend the most abroad. Therefore, those who can secure U.S. tourism will definitely have high earnings in the sector. After 1959, with the end of relations between Cuba and the United States, Cuba became one of the countries on a blacklist, to which U.S. citizens were not allowed to travel, and is now the only country on the list. There is no U.S. tourism in Cuba. U.S. tourism, besides being the richest, is the closest to Cuba. U.S. tourists saw Cuba as a place to escape to without going too far from home, having to fly many hours in a plane, or spending time on an ocean liner crossing the Atlantic. Everyone knows that the flight from Florida to Havana is much shorter than the flight from Havana to Santiago de Cuba.

When we lost U.S. tourism, there was a decline in the sector, and tourism never became a priority at that time.

[Roque] Allow me to return to the problem of hotel occupancy. More hotels are under construction, perhaps with prospects far too ambitious for the tourism industry. Are they going to be used to capacity?

[Rodriguez] There are high expectations. There is a world tourism boom in the Caribbean, which has the most virgin islands, from the environmental standpoint. We live in the world's cleanest area, or the cleanest tourism area, because there are other virgin islands far away. We have also developed an infrastructure in the Caribbean.

The Dominican Republic, one of our Caribbean neighbors, has been affected by electric outages in recent years, as strong or even stronger than the ones in Cuba. Yet, tourism has not declined. The Dominican Republic has developed tourism so much that they can maintain the industry despite the substandard essential services such as electricity. They have looked for other alternatives. Tourism has flourished despite these problems.

[Rodriguez] There are Caribbean islands with a few thousand people, far less population than any small city in Cuba, which nevertheless cater to millions of tourists. Cuba is the largest Caribbean island, with the largest territory for developing tourism, but we cannot fool ourselves by thinking that if we build a hotel today, it will be full by tomorrow. This most likely will not happen; these are long-term endeavors.

We must also learn certain things. Cuba needs to reenter the tourist market, competing with others who have this market fully developed. Therefore, there is a learning process, which I believe Cuba is undergoing. Tourists are still complaining about service and infrastructure.

[Roque] We have not learned to treat tourists well.

[Rodriguez] As I said, we are in a learning stage. Modern tourists in 1995 are different from 1959 tourists. These tourists, who come from developed or developing countries with higher living standards, demand certain services when they leave the comforts of home. We are probably not going to have Haitian or African tourists. Only a small elite from these very poor countries can afford to travel. Mexican, Argentine, and perhaps Venezuelan and Brazilian people can afford to travel. However, Costa Ricans, Nicaraguans, and others do not have the means.

In addition, we must remember who comes to Cuba and what they have left behind because they expect to find the comforts and technology they are used to in the place they visit. Also, tourists like to be able to go out and buy necessities conveniently. We still have serious problems in this regard. However, the main problem is that the market is not distributed among countries, but among tour operators. I want to discuss this topic because we must maintain a strategic link with international tour operators.

[Roque] Why do we need this strategic association with international tour operators? Are we not capable of creating a contacts and seeking a tourist market ourselves?

[Rodriguez] No. We are not capable.

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[Roque] We do not know how to treat tourists and we need to learn how to handle promotion.

[Rodriguez] Not exactly, Juan Carlos. The markets—in the general sense, not only the tourist market—have been expanding of late. There is therefore a monopolist alliance among dominant players.

[Roque] We need to join this alliance.

[Rodriguez] Of course. If we do not join the alliance, we will be left behind and will not have access to resources. We need the strategic alliance of international tour operators.

[Roque] Some of our joint-venture hotels are supposedly promoting themselves. Is this not enough?

[Rodriguez] Only a small number of the 3,000 rooms built in 1994 are managed by foreign enterprises. Perhaps I should not say a small number, but some of them. The rest are Cuban managed. The Havana Libre hotel for instance, is one of the foreign-managed hotels under management agreements. Everyone says that the Havana Libre was sold to Guitar. This is not true. Havana Libre and the Cayo Coco hotels—I do not recall any other Guitar hotels in Cuba—are under Guitar's management by agreement. However, this does not mean that Cubans do not know how to manage tourist hotels. There are very good Cuban managed hotels.

[Roque] The goal is to have these foreign managers bring in their tourist market.

[Rodriguez] Not the managers, but the firm as a whole. The firm has the assurance that their appointed manager will head the operation. These people are trained in management and are the ones who will oversee the quality of the service. It is to our advantage to have experts managing the hotels because they are also providing training—free training, we might add—which is additional, not specified in the agreements.

Also, the main issue of these management agreements is that we accept the tourist market. However, not all foreign-managed hotels are full. I was in Varadero in March, and I visited several foreign- managed hotels, some of which are not doing well. I am referring to some new hotels such as Paradiso in Punta Arenas, for instance. There were not very many tourists there despite the fact that March is a strong tourist month.

It is not only a matter of turning management over to foreigners. There are other ways, which are not always welcomed by workers. We must make it clear that hotel workers are not very happy to have foreigners in charge of management. They feel their honor betrayed. They wonder why they have to have Spaniards, Italians, or Germans in charge when their own manager is perfectly capable. I believe the solution for Cuba is to ally with everyone who can help us keep the hotels full, or at least as full as possible.

[Roque] I agree, and I hope we can continue to discuss this issue another time. Good afternoon.

Vice Foreign Minister on Latin American Integration

FL0104031795 Havana Radio Rebelde Network in Spanish 0100 GMT 1 Apr 95

[From the "Exclusive" program]

[FBIS Translated Text] Fernando Remirez de Estenoz, Cuban first vice foreign minister, stated that Cuba is willing to join Latin America and the Caribbean, but without forgetting its objective values and ideals.

Remirez, who participated in the 14th conference of the Organization to Ban Nuclear Weapons in Latin America, OPANAL, in Chile, stated that Cuba maintains diplomatic relations with all Latin American and Caribbean nations. In addition, in an interview published by the Chilean newspaper EL MERCURIO, Remirez highlighted that relations between Cuba and Chile are strengthening.

Deputy Foreign Minister Meets With Chilean Counterpart

PA0204024395 Havana PRENSA LATINA in Spanish 2201 GMT 31 Mar 95

[FBIS Translated Text] Santiago de Chile, 31 Mar (PL)—Cuban Deputy Foreign Minister Fernando Remirez met here today with Chilean counterpart Mariano Fernandez for an hour at the Chilean Foreign Ministry headquarters.

At the end of the meeting, the two officials described it as very positive and stated the decision of the two governments to increase and promote ties in the economic, tourism, commercial, cultural, and sports areas.

Remirez proposed the beginning of negotiations to sign a treaty for the promotion and reciprocal protection of investments to consolidate the trust of Chilean businessmen in the opening of the Cuban economy.

What is important now, Remirez stressed, is to maintain and promote ties in all areas and on that basis, to continue advancing along the path of bilateral relations.

Fernandez pointed out that within the framework of the current consular and economic-commercial relations, we are making efforts to promote ties in the most fruitful possible manner.

Fernandez said that his government is not imposing conditions of any sort to resume full diplomatic relations between the two countries and pointed out that that decision will be adopted when the two governments deem it appropriate.

Today, Remirez also met with Edgardo Riveros, deputy minister of the secretariat general of government.

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Remirez, who visited Chile to participate in the regular meeting of the organization for the banning of nuclear weapons in Latin America and the Caribbean, will meet this afternoon with the Cuban community settled here and will travel to Argentina tomorrow.

Council of State Calls Municipal Elections for 9 Jul

FL0104192395 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Apr 95

[From the "National Radio News"]

[FBIS Translated Text] The Cuban Council of State has called elections to municipal-level bodies of the people's government for 9 July. Today's GRANMA carries the orders of the Council of State, led by President Fidel Castro. GRANMA says that a second round will be held on 17 July in those districts where the delegates do not receive over 50 percent of valid votes. Citizens over the age of 16 have the right to vote and are responsible for electing their representatives to the municipal assemblies for a term of 30 months.

Roundup of Politburo Members' Activities

FL0104161995

[FBIS Editorial Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 31 March.

Pedro Ross Leal has presented TRABAJADORES with the National Vanguard Award. Ross congratulated all of the newspaper's workers. (Havana Radio Rebelde Network in Spanish 1000 GMT 25 Mar 95)

Pedro Ross Leal has bestowed the Millionaire Award Banner on a manual sugarcane cutting brigade at the Cuba Libre mill, in Santiago de Cuba. Ross also participated in this mill's efficiency assembly. (Havana Radio Rebelde Network in Spanish 0000 GMT 29 Mar 95)

Pedro Ross Leal has participated in the National Hotel and Restaurant Workers Union's fourth provincial congress in Santiago de Cuba. Ross Leal stressed that the quality and efficiency of hotel services offered to Cuban tourists must continue to improve. Cuban domestic tourism revenues totalled $23 million in 1994. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Mar 95)

Carlos Lage and Alfredo Jordan Morales have praised the work of the KTP 2M combines in Holguin Province. Lage pointed out during a stop at one of the Antonio Maceo sugarcane complex's basic cooperative production units (UBPC) that these combines produce more than and do not break down as often as the previous model. (Havana Cuba Vision Network in Spanish 0100 GMT 25 Mar 95)

Alfredo Jordan Morales has visited the Velazco agricultural school, in Holguin. Jordan noted the role that the agrarian economist plays in the UBPC and urged them to direct their efforts toward increasing agricultural production in 1996. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Mar 95)

Nelson Torres and Alfredo Hondal have participated in a meeting on the Ciego de Avila sugarcane harvest. (Havana Radio Rebelde Network in Spanish 0000 GMT 31 Mar 95)

Alfredo Hondal has presented the National Vanguard Award to the Informatics Services enterprise in Ciego de Avila. Hondal also presented the National Vanguard Award to 17 of the enterprise's workers. (Havana Radio Rebelde Network in Spanish 1000 GMT 24 Mar 95)

Juan Almeida Bosque, Jose Ramon Balaguer, and an Association of Cuban Revolution Veterans delegation concluded a tour of eight of Granma Province's 13 municipalities on 24 March. Almeida praised the province's combatants. (Havana Radio Rebelde Network in Spanish 1000 GMT 25 Mar 95)

Juan Almeida Bosque attended dedication ceremonies for the Jose Marti Monument on Victoria de las Tunas Plaza and presented awards to the plaza's architects. (Havana Radio Progreso Network in Spanish 1800 GMT 25 Mar 95)

Yadira Garcia has attended a Committee for the Defense of the Revolution (CDR) commission meeting in Matanzas Province. Visitors praised the provincial CDR leadership. (Havana Cuba Vision Network in Spanish 0100 GMT 26 Mar 95)

Yadira Garcia has participated in a ceremony during which the Matanzas people's government provincial assembly congratulated the province's teachers for their hard work and dedication. Division General Senen Casas and other authorities also participated in the ceremony. (Havana Radio Progreso Network in Spanish 1200 GMT 31 Mar 95)

Esteban Lazo is leading Havana politicians and provincial administrative council officials on a 48-hour tour of the eight peoples councils in La Habana del Este. The group will assess compliance with Central Committee directives on food production, territorial defense, housing construction, and essential services, as well as assess operation of the system of vigilance and protection against crime and counterrevolutionary activities. (Havana Radio Rebelde Network in Spanish 1800 GMT 30 Mar 95)

Esteban Lazo has toured Havana del Este Municipality. He praised the work of minibrigades in charge of tunnel construction. (Havana Radio Reloj Network in Spanish 2030 GMT 31 Mar 95)

Julian Rizo has participated in a ceremony in Sierra de Cubitas. Rizo sewed up the sack containing the last of the 100,000 quintales of potatoes that Youth Labor Army members have harvested. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Mar 95)

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Sugar Industry Minister Meets Ciego de Avila Workers

FL3103192795 Havana Radio Rebelde Network in Spanish 1255 GMT 31 Mar 95

[Report by Fernando Sanchez, Ciego de Avila correspondent; from the "Doing Radio" program]

[FBIS Translated Text] Sugar Industry Minister Nelson Torres has called on Ciego de Avila workers to make the most of industrial potential so that April can be marked as the best sugar producing month. Torres affirmed during a meeting with sugarcane workers that the sugarcane harvest is going well in the province and that the challenge for Ciego de Avila mills is to increase yield by at least 12 percent. Torres congratulated Orlando Gonzalez agroindustrial complex workers for having already exceeded production goals for this campaign. He also congratulated complex Director Jose Perez Robarte on his excellent 20-year record. Alfredo Hondal, a Politburo member and first secretary in Ciego de Avila's provincial party leadership, stressed the importance of groups stepping up efforts to control sugarcane burning. Torres said in response that Ciego de Avila will work on several important areas, including efficiency, motivating workers, and preparing to face any damages.

Sugar Harvest Forecast Optimistic

FL3103220095 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Mar 95

[Commentary by Diosdado Maso; from the "National Radio News"]

[FBIS Translated Text] At the conclusion of March, our sugar harvest has experienced significant increases in yields and in grinding. Approximately 72 hours ago, the harvest reported the highest yields so far this year, grinding less sugarcane, yet achieving a higher volume of sugar production. Today, on 31 March, the agricultural yield, meaning sugar obtained from the ground sugarcane, is almost eleven times as much [once enteros].

According to estimates, the sugar harvest should conclude on 30 April. The statistics of the Ministry of the Sugar Industry show that by province, the best results in the completion of the sugar goals belong to Santiago de Cuba, followed by Guantanamo, with Sancti Spiritus in third place. These three provinces, together with Cienfuegos and Granma, have practically guaranteed completion of their sugar plan for this difficult sugar harvest. Nevertheless, the provinces of Holguin, Havana, Villa Clara, Matanzas, Pinar del Rio, Ciego de Avila, Las Tunas, and Camaguey—in that order—will need to make a great effort in the application of strict control over agricultural and industrial efficiency to be able to achieve the sugar goal for the season.

The stable recovery of the past three days, as a significant indicator of industrial yield, indicates that we are progressing at a good pace and that we are approaching the finish line. I believe that is the only way we will achieve our goal. These results would bode well for this harvest, and even better for future harvests.

Roundup of Economic Developments

FL0104164695

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 31 March.

The Civil Aeronautics Institute has donated $12 million to the Light Industry Ministry to produce shoes and soap. (Havana Radio Rebelde Network in Spanish 1800 GMT 27 Mar 95)

The Granma Shipyard military enterprise surpassed its sales goals by three percent in 1994 and strives to obtain greater results in 1995. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Mar 95)

Recognizing that construction materials are in short supply, the Construction Ministry is conducting an experiment in Santiago de Cuba using old construction methods. Adobe and a method that employs marebu, salt water, marl, and limestone are being tested. If the results are satisfactory, the methods will be used to complete 3,000 homes and 46,000 construction projects planned for 1995. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Mar 95)

Las Tunas construction workers built a record 3,807 low-cost houses in 1994. The housing benefits 12,300 people, mainly agricultural workers in rural areas. The Sugar Industry Ministry proved most outstanding, completing a record 1,180 homes. The Agriculture Ministry completed 837 houses. Production of various construction materials also improved. Las Tunas and Puerto Padre Municipalities proved most outstanding: 491 and 471 homes, respectively, were built. (Havana Radio Rebelde Network in Spanish 1800 GMT 30 Mar 95)

The Agromechanica enterprise has been established in Havana. The enterprise aims to reactivate state investment in the manufacture and reconditioning of mainly agroindustrial parts and machinery. It originated with the backing of 18 specialized enterprises throughout Cuba and includes 54 establishments with a production area of 130,000 square meters. (Havana Radio Rebelde Network in Spanish 1800 GMT 31 Mar 95)

Cattle have damaged 1,579 caballerias of Camaguey sugarcane. Cows ate approximately 600 caballerias of sugarcane. The lost cane would have amounted to more than 94.7 million arrobas, which would have produced 97,200 tonnes of raw sugar. At $200 per tonne, it is estimated that Camageuy cows ate approximately $19 million. (Havana Radio Rebelde Network in Spanish 1800 GMT 31 Mar 95)

Villa Clara agriculture workers have harvested 355,000 quintales of potatoes, exceeding their goal by 30,000 quintales. This is 70,000 quintales greater than the

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previous harvest, despite the fact that 20 fewer caballerias was planted. A total of 150,000 quintales have been placed in cold storage for later sales. A total of 10,000 quintales will be used for seed stock. (Havana Radio Rebelde Network in Spanish 1255 GMT 1 Apr 95)

Revolutionary Armed Forces members from the Western Army have harvested over 200,000 quintales of tomatoes at the Arrocero agroindustrial complex, Los Palacios, Pinar del Rio. There was an average yield of 3,000 quintales per caballeria, despite the heavy January rains. A total of 40,000 more quintales will be harvested in April. (Havana Radio Rebelde Network in Spanish 1255 GMT 1 Apr 95)

Workers form the central petroleum exploration and extraction enterprise in Cardenas Municipality, Matanzas, exceeded their goal by 18 percent during the first semester. They produced over 278,000 tonnes of "Mambi" crude oil with the support of foreign companies, including Canada's CNVV firm. (Havana Radio Rebelde Network in Spanish 1000 GMT 1 Apr 95)

The petroleum exploration and extraction unit in Majagua Municipality, Ciego de Avila, recorded profits exceeding 5 million pesos in 1994. This was largely due to reduced cost and adequate use of resources. They aim to drill over 6,000 meters and to extract 150,000 tonnes of crude oil in 1995. Foreign technology is expected to help increase production. Crude oil extracted from the four Majagua oil fields is sent to Sergio Soto refinery, in Cabaiguan, to be processed as basic oils to replace imported oils. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Apr 95)

Victor Puentes, director of the Havana electric enterprise, has said that funding for expanding street lighting has been allocated. He noted that the average monthly residential consumption is 130 kilowatts. Puentes added that that those who do not pay will be cut off. The enterprise takes in 220 million pesos annually in Havana City, 130 million of which is from residential accounts. (Havana Radio Rebelde Network in Spanish 0000 GMT 1 Apr 95)

Raul Castro Assesses 1994 Minfar Achievements

FL0104030995 Havana Radio Rebelde Network in Spanish 0000 GMT 1 Apr 95

[From the "Exclusive" program]

[FBIS Translated Text] Army General Raul Castro chaired the 2nd 1995 regular session of the Ministry of the Revolutionary Armed Forces [Minfar] Military Council on 31 March at Minfar headquarters. The Council assessed the results of the work accomplished in essential sectors, such as defense readiness, equipment maintenance and conservation, and self-sufficiency in 1994.

Raul Castro summed up the meeting and assessed the results of his recommended guidelines of 5 March 1986. He highlighted the fact that food and sugar production are still Cuba's principal economic, political, ideological, and military challenges.

[Begin Castro recording] We need to complete defense readiness and fulfill economic demands in 1995 as much as possible in every province. We must also work in an objective way in defense readiness, giving priority to the search for solutions to ease the people's nutritional needs. [end recording]

The final document sums up the Revolutionary Armed Forces [FAR] achievements in 1994 and states that provincial defense and troop mobilization systems in Cuba have continued to improve. It also highlights the fact that FAR agricultural production has fulfilled 70 percent of the troops' nutritional needs and adjusted to the special period situation.

[Begin Castro recording] The results of the assessment that we have just concluded substantiate the conviction that it is possible to progress if we critically evaluate problems and systematically confront these problems with the masses' participation. We have been able to achieve our main goals and are now stronger than ever despite the economic shortages of the special period. This is due to our revolutionary spirit, initiative, and creativity, as well as our timely and dynamic confrontation of problems. [end recording]

Authorities Link Nuclear Treaty Adherence, U.S. Policy

FL3103151595 Havana Radio Rebelde Network in Spanish 1000 GMT 31 Mar 95

[From the "Doing Radio" program]

[FBIS Transcribed Text] Although Cuba has reaffirmed in Geneva and Vina del Mar, Chile, that it is against the use of all weapons of mass destruction, it has warned that its adherence to the Tlatelolco Treaty will depend on the U.S. suspending its hostile policy on Cuba. The United States occupies Guantanamo Naval Base, through which ships carrying nuclear arms often pass. Cuban Permanent Representative Jose Perez Novoa made this clear at the UN Disarmament Conference, in Geneva: Vice Foreign Minister Fernando Remirez de Estenoz also made this clear at the recently concluded conference of the Organization to Ban Nuclear Weapons in Latin America—OPANAL—in Vina del Mar. Perez Novoa explained that Cuba had not signed the treaty earlier strictly for moral reasons. He also mentioned the isolationist policy to which Cuba has been subjected for many years, a situation that is changing considerably as Havana reinforces it ties of friendship and mutual cooperation in the region. The delegates of all countries participating in the Vina del Mar conference reached consensus on the need to strengthen and extend OPANAL's role. Cuba's adherence to the agreement ensures that the document applies to all countries in the region.

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Havana Electric Official on Fraud Prevention Measures

FL0304153895 Havana Radio Rebelde Network in Spanish 1155 GMT 2 Apr 95

[Interview with Victor Puente, director of Havana's electric enterprise, by correspondent Agrea Ramirez from the "Doing Radio" program—recorded]

[FBIS Translated Text] [Puente] There is a small number of users who commit fraud. We are aware that they obtain electricity in different illegal ways. During these difficult economic times people try to solve their problems using alternatives, and sometimes they steal electricity, which is a commodity available to be stolen using different techniques. The (?85) inspectors working in all municipalities are becoming more qualified, they detect a number of infractions daily, and people have to pay fines which amount up to a year of illegally consumed electricity. When these people are caught again, their service is suspended, and they are prosecuted.

Offenders are aware that they are committing fraud, and that what they are doing is totally illegal. It is our organization's responsibility to uncover them. Inspectors are improving their skills to be able to detect as many transgressions as possible. It is also common to find people sharing electricity due to increased outages [words indistinct] by sharing the electric cables with neighbors. This is illegal and very dangerous. We send inspectors during the night to check, because when users share cables with the house next door, which is connected to a transformer, the electricity that they are giving to help the neighbor goes though those cables. Hence, one of our workers could be killed when repairing a line which is supposedly shut. Yet, our safety system is designed to prevent this from happening. Workers must use a ground connection as prevention to avoid a possible accident.

However, these are highly dangerous, penalized, and illegal activities, which we try to stop.

[Ramirez] There is also another type of fraud, which Puente will explain.

[Puente] Some people doctor meters to show incorrect readings, thus using electricity without having to pay for it. This is like eating bread or drinking milk for free. We are working to stop this situation, it is our responsibility to be sure that people pay their bills.

Camaguey-to-Guantanamo Power Failure Explained

FL0304020195 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Apr 95

[From the "NTV" newscast]

[FBIS Translated Text] The electric service has informed us about the causes behind the interruption of service from Camaguey to Guantanamo on 1 April. The breakdown occurred in the Nuevitas 220-kw substation, and thanks to the technicians' efficient work, complete electrical service was restored that evening. The system's automatic protective measures also contributed to a speedy reestablishment of service because when the breakdown occurred, all systems at the Diez de Octubre Electric Plant and at the substation—both facilities in Nuevitas—were taken off line, thus avoiding further damage. The electric service's report states that the breakdowns' causes are known and responsibility will be assigned.

Haiti

Aristide Speaks at Transfer Ceremony, Thanks Clinton

PA3103215995 Port-au-Prince Television Nationale d'Haiti in Creole 1617 GMT 31 March 95

[Speech by Haitian President Jean-Bertrand Aristide at a ceremony to mark the transfer of control of the multinational force from the United States to the United Nations, in Port-au-Prince—live; bold passages in English, passages in italics in French]

[FBIS Translated Text] Your Excellency Mr. U.S. President Bill Clinton; Distinguished members of the U.S. delegation and dignitaries of the friendly countries; Excellency Mr. Prime Minister and members of the government; Mr. Senate President; Distinguished members of the diplomatic corps; Dear friends from the international community; Courageous Haitians living in the tenth department as in the nine departments in the country: I am pleased to be one with you, Haitian people, to welcome President Clinton in a Lavalas manner. [applause]

Are you happy to see President Clinton? [crowd shouts: Yes!] Honor and respect for all friends of the Haitian people. A Lavalas applause for an incomparable welcome. [applause]

Because we are people who understand, we change our shirt for people who sweat for us. [cheers] Did President Clinton help us accomplish 15 October 1994? [cheers] Did President Clinton help us realize that day? [crowd cheers] Days come and go; days come and go; that day... [cheers] It was indeed 15 October 1994. Thus, President Clinton, you sweat for us. We are pleased to change our shirt for you under the warmth of an incomparable welcome. Home, home, is President Clinton at home? [crowd shouts: Yes!] Are you happy he is home? [crowd answers: Yes!] All the native sons put their voices together to welcome you, President Clinton. [crowd repeats: Welcome President Clinton!] Once more, Welcome President Clinton. [crowd repeats: Welcome President Clinton]

Members of the U.S. Congress, members of the U.S. Administration, friends of Haiti, a warm hello to all of you.

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As Shakespeare said, the bread of banishment is bitter. Nevertheless, the U.S. President has agreed to share the bread of banishment with the Haitian people. This, on behalf of democracy, for the defense of democratic principles, for the respect of human rights, for peace in the hemisphere and on the planet. As gratitude is the memory of the heart, today millions of Haitian hearts sing those famous words said during the second century before our era by the philosopher Tacitus; Posterity will pay you the honor you deserve.

From 19 September, Operation Uphold Democracy has bored a tunnel of hope through so many mountains of suffering. The implementation of UN Resolution 940 praises this perfume of regained freedom as much through the Constitution of the Republic of Haiti as through the Declaration of Independence of the United States, solemnly proclaiming in 1776: All men are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. To share this bread of happiness around the democratic table, from 15 October until today, the sun of reconciliation is shining and will always shine.

Reconciliation is and remains the mainspring of justice, peace, respect, human dignity, and economic progress. From this perspective, we are resolutely walking toward free, honest, and democratic elections. If democracy were a river, the principle of one man, one vote would be the bridge.

If democracy were a river, the principle of one man, one vote would be the bridge. If economic development were a seed, it would germinate only in soil rich in democratic principles and values.

Greetings to all of you who have done so much to restore democracy to Haitian soil. Special greeting to the delegation traveling with President Clinton. We are happy to see so many familiar faces. We hope that you, our friends in the U.S. Congress, all of Haiti's friends here today, carry back the joy and the spirit of democracy that is in the hearts of our citizens.

I salute the close to 20,000 U.S. troops who helped restore democracy to our country. Thanks to the nonviolent president of the Haitian people and to you, on September 19th, Haiti moved from death to life. The water of violence was transformed to the wine of peace.

Since our first meeting with General Shalikashvili in Washington through the many visits with General (Shean), through our close collaboration with General (Fisher) here in Haiti, we have found ready partners willing to work with us to uphold democracy. We thank all the men and women of the U.S. military serving in the multinational force, their families, and the American people for their support for this successful operation. In 1776, the famous American Thomas Payne published a pamphlet entitled Common Sense which galvanized the thirteen colonies in their struggle for independence. Years later, when Payne wrote the constitution for the State of Pennsylvania, he reaffirmed his commitment to liberty by insisting on universal suffrage. At the same time, during this same period, across the Caribbean sea, Toussaint Louverture, the pride of Haiti, drafted the constitution which paved the way for the liberation of the world's first independent black nation. Both nations honored their-...[pauses] fathers in the light of these great historic figures. Haitians and Americans will always remember the contributions Operation Uphold Democracy made to Haiti under the leadership of President Clinton.

Up with the million and a half Haitians living in the tenth department. **I am proud of them.**

Up with the Haitian youth, the seed of national pride. Up with Haitian and American people who are working together to implement real democracy everywhere. As the saying goes: It takes two to tango.

Are the Haitian people good? [crowd shouts: Yes!] Are the Haitian people good. [crowd shouts: Yes!] Is President Clinton good with us? Are we good with him? As the proverb goes, it takes two... [crowd shouts: to tango] In that spirit of togetherness, all of you who are happy to see President Clinton, would you like to hear him speak? [crowd shouts: Yes!] Really? To hear and to see are two different things, to hear and to see...[crowd shouts: are two different things]. Would you like to hear President Clinton? [crowd shouts: Yes!]

But first of all, do you see him? Where is President Clinton? [crowd cheers]. Over here? Where is he? [crowd cheers] Point him out with your finger, show me where he is? If you see him, give him great applause; great, great, great applause. [crowd applauds]

President Clinton, on behalf of all Haitians living in the mountains, Haitians living in the tenth department, and Haitians who are here with you, because we are pleased to see you, we are pleased to hear you in a Lavalas manner because alone we are weak, together we are strong, and strongly united, we are an avalanche [lavalas]. [applause]

Aristide Address on UNMIH Takeover

PA0104000895 Port-au-Prince Television Nationale d'Haiti in Creole 1932 GMT 31 Mar 95

[Speech by Haitian President Jean-Bertrand Aristide at the ceremony to mark the transfer of control of the multinational force from the United States to the United Nations, at the National Palace in Port-au-Prince—live; passages in italics in French; bold passages in English]

[FBIS Translated Text] *Mr. UN Secretary General; Excellency Mr. U.S. President Bill Clinton; Dignitaries of the friendly countries; Excellency Mr. Prime Minister; Members of the Government of the Republic; Mr. President of the Court of Cassation; Mr. Senate President; Distinguished members of the diplomatic corps; Dear friends of the international community;*Haitians in our nine departments and our 10th department: I am very

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happy to open both my heart and my arms to welcome you and tell you that our dear Haiti has received you in a Lavalas manner. [applause] **Once again, welcome, President Clinton.** Welcome to UNMIH [UN Mission in Haiti]. **Welcome to all of you, Friends of Haiti.**

Mr. President of the United States, Mr. UN Secretary General, the words you said went straight to my heart. Four million years ago, in the search for a better life, the ancestors of mankind had to look far ahead, which favored the right and vertical march, hence, the hominization process, according to many paleontogists. Similarly, today, to search for democratic life, mankind must look far and open horizons for peace on a planetary scale.

The heroic courage of the Haitian people, the leadership of President Clinton, and the support of the UN secretary general invigorate mankind's vertical march toward peace and democracy. On the threshold of the third millennium, this democratic praxis extends the open-mindedness of Toussaint Louverture, Petion, Simon Bolivar, and Abraham Lincoln, defining democracy as the last great hope for extending the sphere within which the achievement of well-being does not sacrifice individual freedom or human dignity. Mr. President of the United States, Mr. UN Secretary General, and all of you who helped us and who accompanied us on the path to democracy, thank you on behalf of the Haitian people. [applause]

The implementation of the Governors Island Agreement demonstrates that the world has taken [words indistinct] Dr. Martin Luther King's warning that injustice anywhere is a threat to justice everywhere. The engagement of the United Nations supported by the courageous commitment of the people of Haiti is a source of hope for all democracies. United, we will raise the banner of a state of law on the flagpoles of reconciliation, justice, tolerance, respect, and economic progress. United under this banner, we will guarantee security and peace. United in this state of law, the new police force in training will take its rightful place. Recommendations made to reform our judicial system will be implemented and plans to organize free, fair, and democratic elections will succeed as together we move from secure and stable to safe and more secure. To join us in this historic task, we welcome today the arrival of the United Nations Mission in Haiti led by the special representative of the secretary general, Mr. (Brahimi), and the military commander of the UNMIH, General Kinzer. We welcome friends from America, from Africa, from Europe, from Latin America, and from our sister nations of the Caribbean.

[In Spanish] Brothers and sisters of the great homeland, may we always (?be) the light of hope. [applause] With the commitment to the democratic and mutually binding values of our people, we congratulate and thank them. Once more, history shows that we are able to improve the world. We have faith and as such a new world will be born. May our hope live! [end Spanish]

Hope helps us survive. That is what we usually say. That is what President Clinton repeated this morning. Twenty years ago, President Clinton visited Haiti. Today we are happy when he says again with us, hope helps us survive! We are living with an avalanche of hope; hope that all zenglendos [criminals] stop operating [crowd cheers]; hope that the high cost of living drops [crowd cheers]; hope, hope for insecurity to stop; hope that you hold my hand and I hold yours for zenglendos to stop. Hope that you hold my hand and I hold yours so the high cost of living drops; hope that you hold my hand and I hold yours for insecurity to stop. [cheers]

Are you really holding each other's hands? [cheers] In peace, [cheers], in reconciliation [cheers], for justice [cheers], for zenglendos to stop [cheers], for the high cost of living to drop [cheers], for insecurity to stop [cheers]. Then hold each other's hands to show me it is true. Hold each other's hands to show me that it is true. [cheers]. Beautiful! In peace, in reconciliation, in the respect of everyone's rights. Do you have hope that you will sit around the table? [cheers]

With such a hope, we say once more, thanks to all of our friends, because alone we are weak, together we are strong, united we are an avalanche.

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Zedillo Calls For New Government-Industrialists Alliance

PA0204163195 Mexico City LA JORNADA in Spanish 28 Mar 95 p 1-48

[Report by Elena Gallegos]

[FBIS Translated Text] President Ernesto Zedillo has called for a new alliance between the government and industrialists, an alliance in which, far from hoping for a return to protectionism, monopolistic practices will be left behind, privileges will end, and businessmen will be able to defend themselves in cases of abuses by authorities.

After listening to harsh criticisms of the economic model, which is sacrificing production and focusing on monetary issues, the head of the executive branch has decided that in the redefinition of this new alliance, the government will commit itself to offer individuals a "fair treatment" based on an honest and equitable tax system, while making parastate enterprises efficient and guaranteeing that industrialists will have access to goods and services under the same terms their foreign competitors have.

Not only that, but the new pact must also consider credit terms that will reduce technological investment risks, promote a larger deregulation at all the government levels, and stimulate fairer competitiveness for financial mediators, thus abating credit costs.

Zedillo has said that his government's industrial policies will grant legal security to contractual relations and that businessmen will have plenty of opportunities to contribute to the development of Mexico.

At a banquet held in one of the halls of the Camino Real Hotel in which the president closed the 77th regular general assembly of the Confederation of Industrial Associations (Concamin) and which leaders of the leading organizations of the private sector attended, Zedillo also defended his adjustment plan, saying "it is coherent and adequate for the situation through which the domestic economy is going."

As a response to those who believe the indiscriminate opening of the last few years worsened the serious crisis the national industry is experiencing, he argued this opening was necessary as a means to face the challenges posed by the globalization of the economy.

"The globalization," he added, "was not devised by a particular country or for a particular country. It is the result of a complex set of socioeconomic, political, scientific, and technological processes, the reason why it must be regarded as an opportunity, not as a threat, because it is pertinent and offers alternatives."

He agreed, however, that as the opening, which was necessary, mixed with the overvaluation of the foreign exchange rate, many industrial sectors were subjected to demanding pressures the foreign exchange adjustment is now beginning to correct. He was confident that beginning with the new circumstances, "we will promote and strengthen the domestic industry to ensure it will be efficient, productive, and competitive at the national and international levels. We will make these efforts based on a new alliance we will strike with the country's industrialists."

President Zedillo told them the following: "A great opportunity to strengthen this new alliance in a joint program and in a plan full of people's creativity, wishes, and help is opening before us. The drafting of the 1995-2000 National Development Plan constitutes that opportunity."

He insisted the basic task now is to overcome the economic emergency that is adversely affecting all productive sectors. To do so, a coherent plan was launched, and we have an economic structure offering new possibilities on which to base a healthy growth recovery.

That structure, he said, is allowing us to see the first results of the adjustment program: The country's positive trade balance exceeded $450 million in February; manufacturing exports grew by 27 percent during the first half [as published] of the year compared to the same period in 1994; and the exports of the nonassembly plant industry increased by approximately 40 percent during the same period.

He insisted the mass reorganization of credits through the investment units in the short term will provide an immediate relief on the businesses' capital flows, whereas the public finances adjustment already began in a resolute fashion.

"It is clear we are quickly moving forward at this stage of the Program To Overcome the Economic Emergency in an effort to adjust the balance of payments and stimulate domestic savings," he underscored.

He forecasted that the objective of abating the volatility of the foreign exchange and financial markets within the next few weeks will be promoted and that inflation abatement trends will come about during the second half of the year. All these changes, he said optimistically, will come along with financial certainty and stability. We will begin a phase of full growth afterward with increasing stability "through an exports increase and an investment recovery."

Here is when he stressed his government's commitment with the domestic industry and said only an active and modern industry will constitute an effective support to promote such other productive sectors as trade and agricultural activities. We will achieve these feats by employing such country's assets as the modernization of the manufacturing industry, the businessmen's larger technical and professional education, a more skilled labor force, the natural resources, the development infrastructure, and the new instruments to reach more international markets.

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On the redefinition of an alliance with the industrialists and the new policies for this sector, Zedillo said they will translate into a major promotion for training and the creation of conditions that will guarantee a timely supply of raw materials for energy, transportation, and telecommunications at a good price and an adequate quality.

Finally, he expressed his confidence the industrialists will actively respond to his call to ensure they will contribute to drafting industrial policies that will be included in the National Development Program, policies that will constitute the strong foundation of the new alliance.

Several state secretaries, including Herminio Blanco, Guillermo Ortiz, Santiago Onate, and Norma Samaniego, and Oscar Espinosa Villarreal, Department of the Federal District chief, among others, attended the banquet.

Secretariat Will Not Forgive Fiscal Debts

PA0104171395 Mexico City EL FINANCIERO in Spanish 29 Mar 95 p 4

[Report by Gerardo Flores]

[FBIS Translated Text] The Secretariat of Finance and Public Credit (SHCP) will not forgive fiscal debts or reduce debt payments. In addition, it will not grant extended terms to liquidate those commitments, Alejandro Valenzuela del Rio has affirmed.

Valenzuela del Rio, spokesman for the Action Plan to Strengthen the Agreement of Unity To Overcome the Economic Emergency (PARAUSEE), has said the SHCP will not grant a "general" tax pardon.

We are analyzing each case individually, he has said, and only under special conditions "have we granted facilities for making payments in installments."

The treasury does not forgive debts, the SHCP official has stated flatly. He has said the businesses deferring their payments "have accepted strict conditions, in which they established a collateral."

Alejandro Valenzuela del Rio has said the critical situation the country is experiencing makes it impossible to forgive debts, to extend repayment terms, and to make general debt reductions.

Meanwhile, he has also said a series of discussions may begin this week with state governments unable to meet their obligations with the federal government or with development banks, so as to find a solution.

In this regard, sources at the National Bank of Works and Public Services (Banobras), the largest creditor of the state governments, have said 94 percent of local governments' debts will be reprogrammed to longer terms. They added that Banobras does not have a plan to restructure debts and that, "as a result, they are talking with authorities of each state." Nevertheless, they have said there will be no general or global plans.

A high-ranking Banobras official has said more than 10 states of the country are confronting debt problems, but he has affirmed "none will declare bankruptcy or suspend payments."

Raimundo Artis Espriu, president of the National Processing Industrialists Association (ANIT), has said businessmen not only require that their debts be forgiven by SHCP authorities but also by the Mexican Social Security Institute, Infonavit [Institute of the National Fund for Workers Housing], and the Retirement Savings System.

He has said the problem of businessmen's indebtedness is so serious that if no payment facilities are provided, term extensions are granted, and installment payment agreements are made, the production apparatus will soon be bankrupt and seizures will multiply.

Raimundo Artis has said the government should reconsider its position as a collection agency and should promote businesses.

Fiscal System Improved

Next week, the Fiscal Advisory Council (Cafi) will present a package of possible proposals to improve the tax system, among which are expanding the taxpayers register, simplifying procedures, and establishing greater independence regarding collections.

Alberto Tiburcio Celorio, president of the Mexican Association of Public Accountants (IMCP), has said Cafi will be comprised by 18 tax experts. He added the proposals, among them the elimination of the 2 percent tax on business assets, will be brought before the highest SHCP authorities.

"No immediate results are expected though authorities have expressed their desire to help," Tiburcio Celorio has said, adding Cafi will gain strength as the day of its definitive creation approaches, because experts from the Business Coordinating Council, the Mexican Institute of Finance Executives, the IMCP, and the Mexican Association of Public Accountants will participate in it.

He has said that there will be no tax modifications this year and that those that are made will be "irrelevant."

The IMCP president said during a news conference 1996 will be the year during which recommendations to perfect our tax system and make it more competitive will be implemented. He asked that the Fiscal Advisory Council participate in the preparation of the National Development Plan.

Later, he referred to the fiscal modifications recently approved by Congress, and said the increase in the value-added tax (VAT) rate will bring about financial benefits to the state treasury. He has said, however, it will also generate administrative and financial problems

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for taxpayers, who will have to request the refund of the tax that was not filed before.

The IMCP has stated the salary credit will also apply to workers earning between two and four minimum wages, because it formerly only applied to those earning between one and two wages.

Regarding taxpayers who conduct business activities, the deduction percentage for investments made in 1995 will be expanded, allowing those using this measure to reduce from 5-3 percent the discount rate used for estimating the present value deduction of the investments.

He added: "We believe both measures regarding income tax are appropriate, because low income taxpayers are benefiting and much needed investments are being promoted."

Tiburcio Celorio concluded that the annual meeting of trustees of the IMCP will be held 25 April.

Senate Approves Decree Regulating Investment Units

PA0104183295 Mexico City XEW Television Network in Spanish 0430 GMT 30 Mar 95

[From the "24 Hours" newscast; passages with quotation marks recorded]

[FBIS Translated Text] UDI's [investment units], designed to protect Mexican investors and savings depositors, will become effective on 1 April.

The Senate unanimously approved, generally and in detail, a decree on 29 March creating and regulating the new account units called UDI's. The decree expands and amends 13 articles of Mexico's Fiscal Code and Income Tax Law. UDI's, the new financial instruments that will serve to ameliorate the uncertainty caused by the current economic crisis, will make it possible to offer true interest rates in various types of transactions and to prevent monetary asset losses resulting from inflation. The Bank of Mexico will calculate daily the value of these nonmonetary account units in the national currency. Their exchange rate will be reported in the gazette daily.

PAN Senator Arturo Nava Bolanos said UDI's are useful instruments in this time of crisis:

[Nava Bolanos] "Finally, we would like to make a small recommendation to President Zedillo's economic team: Gentlemen, do not push your economic program at the expense of social peace."

Party of the Democratic Revolution [PRD] Senator Ernesto Navarro explained his party's position, saying UDI's will be useful to reduce uncertainty in financial operations:

[Navarro] "The fact we have endorsed the decree does not imply at all that we endorse the government's economic policy entirely."

Finally, PRI [Institutional Revolutionary Party] Senator Francisco Davila Rodriguez said this:

[Davila] "We know UDI's are not a panacea or represent automatic salvation; nevertheless, they are a useful instrument to attain stability and economic recovery."

In all, 108 votes were cast in favor of the decree, which will become effective when it is published in the gazette.

In addition, Guillermo Huemes, deputy governor of the Bank of Mexico, after meeting with members of the Mexican Institute of Finance Executives, said UDI's are not a panacea or solve all of the financial problems Mexico is experiencing:

[Huemes] "UDI's, by themselves, will be unable to solve all of the enterprises' problems. It is worthwhile mentioning, however, that these instruments and SICORCA [expansion unknown], which some of you might remember, could help solve one of the most urgent problems caused by inflation—the financial problem.

"Savings account depositors are assured interest from their deposits, thus preserving their purchasing power. Debtors avoid having to pay the high interest rates caused by the accelerated amortization of loans. Debtors are assured cash flow in financial operations; this flow is similar to the one they would enjoy without inflation."

Huemes said UDI's will make it possible for banks to keep their clients' deposits for a longer time and increase the chances of recovering the overdue loan portfolio:

[Huemes] "In general, UDI's alleviate one of the most serious problems caused by inflation—uncertain cash flow."

He said that the regulation for UDI's is ready, that it will be flexible, that the use of UDI's will be voluntary, and that the face value of UDI's will be unlimited. A secondary UDI market will be established. He also said UDI's will not contribute to inflation. Quite the opposite, he said. UDI's will help reduce the effects of inflation.

German Gonzalez Quintero, president of the Confederation of National Chambers of Commerce [Concanaco], said during a news conference 10,000 agricultural, commercial, and industrial enterprises will disappear despite the application of UDI's to rescue debtor enterprises, because they are unable to repay their loans:

[Gonzalez] "We believe UDI's will solve the financial problem by helping recover approximately 80 percent of the overdue loan portfolio. The amount is enough for all, but approximately 20 percent of the enterprises will never be able to meet their obligations."

He said the success of UDI's will depend on their prompt and correct application. Gonzalez said the government of President Zedillo should tell the truth about the economy's progress or setbacks in view of Mexico's economic emergency:

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[Gonzalez] "We demand to be told the truth clearly. We demand accurate and timely information."

Concanaco has opposed the creation of an intersector commission, consisting of workers, peasants, and entrepreneurs, which could be informed every month about the federal government's emergency economic program. Gonzalez said taxes should be lowered as public spending is gradually reduced. This is his proposal:

[Gonzalez] "We propose an emergency program to regularize taxes, the IMSS [Mexican Social Security System], INFONAVIT [Institute of the National Fund for Workers Housing], and SAR [Retirement Savings System] and permit monthly installments with no surcharges or interest according to the enterprises' true payment capabilities."

He also said it is imperative to lower taxes on assets down to a zero rate and to lower gradually income taxes down to a zero rate also to stimulate reinvestment. In conclusion, he said the setting up of fiscal checking machines in businesses, originally slated for 1995, should be postponed in view of the business sector's lack of resources,

Finance Secretary on UDI'S

PA0204164395 Mexico City XEW Television Network in Spanish 0430 GMT 31 Mar 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Guillermo Ortiz Martinez, finance and public credit secretary, has said the use of the investment units, or UDI's, will allow most small- and medium-sized companies to solve their debt problems and will also benefit people holding mortgages. During a ceremony to sign the documents formally creating the program to support the national productive sector, the official said Mexico is undergoing its most difficult period in recent history:

[Begin Ortiz recording] Over the past weeks, this point has become evident, among other factors, with the persistently high interest rates, which have hurt companies, families, and debtors in general. I would say it has hurt in particular small- and medium- sized companies and people holding mortgages. [end recording]

Ortiz and Jose Madariaga Lomeli, as president of the Mexican Association of Bankers [ABM], signed the documents in Mexico City. Madariaga said this accord is the result of the coordinated efforts between the state and the banking sector.

Questioned about how the UDI's will work, ABM Coordinator Roberto Del Cueto said at a news conference the restructuring of loans will benefit 85 percent of businesses with a debt load of 400,000 new pesos. Del Cueto said businessmen with larger debts and mortgage holders will also stand to benefit. He explained the UDI's will lighten the debtors' burden, because the application of real interest rates without the inflationary factor will result in smaller amortization payments:

[Begin del Cueto recording] Let us put things in perspective. I believe the average real rates in these programs will be approximately 11 or 12 percent; that will depend on each bank and the conditions of each creditor. [end recording]

Del Cueto announced there will be several options available to restructure loans with UDI's; that is, five- to 12-year terms for businessmen, with or without a grace period up to 30 years for mortgage holders, with maximum interest rates of 8 percent and 10 percent.

The UDI's will be an attractive savings instrument for people who owe nothing, given they retain the value of money and yield an additional return. For example, if you deposit 100 pesos in UDI's, a year later, and at an inflation rate of 50 percent, you will receive 150 pesos and a small percentage of return; therefore, your money will not be worth less due to an erosion of the purchasing power. That is what UDI's offer in theory, at least.

Opposition Parties Ask For Rescindment of VAT Law

PA3103163995 Mexico City XEW Television Network in Spanish 0430 GMT 31 Mar 95

[Report by Lourdes Esquivel from the "24 Hours" newscast]

[FBIS Translated Text] The two leading opposition parties in the Chamber of Deputies have asked that the Value-Added Tax [VAT] Law be rescinded. Here is Lourdes Esquivel with a report:

[Esquivel] Factions of the National Action Party [PAN] and the Party of the Democratic Revolution [PRD] in the Chamber of Deputies have demanded the rescindment of the reforms and legal annexes that have lead to a 50 percent increase in the VAT. PAN Deputy Gerardo Arellano has said the reforms and annexes to the VAT Law approved by the PRI majority in Congress are not in keeping with the principles of proportionality and equity as stipulated in constitutional Article 31.

Arellano has said support by 33 percent of the deputies is necessary to file a suit challenging the law's constitutionality:

[Begin Arellano recording] The PAN parliamentarian faction already has 118 signatures. We only need to obtain 168 signatures to ask the Supreme Court of Justice to rescind the VAT Law or the VAT increase on grounds of unconstitutionality. [end recording]

[Esquivel] Deputy Ramon Sosa Montes has said the PRD faction, which consists of 70 deputies, will support the proposal:

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[Begin Sosa Montes recording] This unconstitutionality suit can restore confidence in Congress, and we may be able to rescue the trust of the Mexican people in their deputies. [end recording]

[Esquivel] No PRI deputy went to the podium to speak about the suit. During today's session, the Chamber of Deputies approved the proposal presented by PAN Deputy Maria del Carmen Segura to summon the attorney general of the federal district and the secretary of public security to speak about the guidelines of the general system of public security. PRD Deputy Rosario Robles proposed a legislative commission be created to coordinate the participation of the Chamber of Deputies in the consultation and integration of the 1995-2000 national development plan.

A group from the Metropolitan Barzon group tried to enter the building when PRI Deputy Cesar Raul Ojeda took the stage to ask that funds for Mexican scholarship recipients abroad not be restricted, but security personnel closed the doors on them. Amid shouts, the demonstrators demanded attention. PRD Deputy Saul Escobar promised them the Chamber of Deputies' commission for complaints will meet with them.

Today's session was attended by 277 deputies, slightly more than half the total number of deputies.

Foreign Trade Bank Head on Support for Businesses in 1995

PA0204165395 Mexico City NOTIMEX in Spanish 1600 GMT 31 Mar 95

[FBIS Translated Text] Mexico City, 31 Mar (NOTIMEX)—Enrique Vilatela Riba, director of the National Foreign Trade Bank of Mexico [Bancomext], has said his bank will fully support the country's medium and small businesses during 1995 and promote their joining the exports network.

Presenting the Full Support Program for 1995, Vilatela has said Bancomext will support companies involved in foreign trade, for which it will allot $10.95 billion for credits and guarantees.

He has said $10.1 billion in credits and $850 million in credit guarantees will be channeled to export companies, thus facilitating the access of medium and small businesses to credits and enabling them to export.

Vilatela Riba has said the resources will be used to meet the requirements of labor capital, productive cycles, and the sale of nonpetroleum goods and services and to modernize the productive apparatus.

In addition, Bancomext will develop investment plans to increase exportable supplies, increase businesses' full operating capacity, and reorganize the liabilities of viable companies that have financial problems.

Vilatela added Bancomext's programs will have a sectorial economic focus, which will contribute to the development of a permanent exporting establishment that will favor the achievement of higher levels of social and economic benefits.

He has said 61 percent of the $10.95 billion budget he has for 1995 will go to the manufacturing sector, 18 percent to the agricultural and agroindustrial sector, 16 percent to the mining-metallurgical sector, 2 percent to fisheries, and 3 percent to tourism.

As for nonfinancial services, Bancomext will strengthen strategic alliance agreements and promote foreign investments among national and foreign companies. It will provide them with information services, consultation, and high quality training.

Vilatela has said foreign companies have demonstrated a great deal of interest, especially European and Japanese firms, which now see in Mexico not a local market but a trampoline to get their goods to other countries.

He has said that to improve the results of nonfinancial services, Bancomext will direct its efforts, in a selective manner, to products and markets that have the greatest potential.

To achieve the goals set for 1995, the program whereby Bancomext will obtain resources will include obtaining $13 billion through lines of credit for foreign trade from Exibanks and other foreign banks.

In addition, the credits and guarantees of multilateral organizations will be used to competitively finance projects that will contribute to the development of sectors that are priorities for the country's economy, among other measures.

Vilatela Riba has said Bancomext will not only try to obtain foreign resources. It will also encourage companies' increased use of financing from available sources abroad, such as import lines.

Credit Program Will Not Include Agricultural Sector

PA0204194195 Mexico City EL FINANCIERO in Spanish 30 Mar 95 p 7

[Report by Georgina Howard]

[FBIS Translated Text] The Mexican Association of Bankers [ABM] has explained that the Credit Reorganization Program [Programa de Reestructuracion de Creditos], through the use of UDI's, [investment units] "will not include the agricultural sector, at least for the time being." In its case, the ABM stated, the 18 billion new pesos the Bank of Mexico has in the Fira [Guarantee and Development Fund for Agriculture and Aviculture] will be used.

It has stated the financing granted to credit card holders will not be part of the reorganization of "viable" liabilities for small- and mid-scale companies, because these credits are considered to be of "high risk."

The ABM members and those who have been meeting with authorities since yesterday to define the operation of this system have said the inclusion of the countryside

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sector in the credit reorganization will be determined depending on the reception given to the UDI's program and its immediate effects thereafter.

It is noteworthy that the UDI's program, which will be within the reach of only those bankers that achieve a minimum 8 percent capitalization, will begin operating on 3 April. The National Banking Commission Eduardo Fernandez heads has yet to inform, however, how many banks were able to capitalize themselves and under what terms. The deadline to reach that 8 percent capitalization goal expires 31 March.

Bital Bank has officially reported it will join the Procapte [Temporary Capitalization Program] through the issuance of subordinated and convertible obligations amounting to 900 million new pesos, which represents 28 percent of Bital's capital. Only 675 million new pesos will be issued at the beginning, enabling the bank to reach a 9 percent capitalization level by 31 March.

During the meeting all bankers held, they maintained a proportion of the UDI's for companies and mortgage loans—that is, 25 percent—will remain in the hands of Banamex [National Bank of Mexico], Bancomer [Bank of Commerce], and Serfin. The rest of the 56 billion new pesos, excluding the credits granted to the three largest credit institutions of the system, will be distributed among already established banks and those that were recently authorized to operate. They have pointed to the role the Inbursa Bank, which Carlos Slim owns, plays among the new credit institutions.

This is how the resources that will be used to reorganize the liabilities of small- and mid-scale companies will be distributed, in second place, among the Banco Mexicano, Bital, Inverlat, and Atlantico banks. Banpais, which has been intervened, Bancrecer, and Banorte come immediately after and according to their level of reserves and assets.

According to the bankers themselves, the quantities the rest of the institutions will get will be very similar, except for Banco del Centro, Banorie, and the Workers Bank, which will get a small amount of UDI's.

Regarding the mortgage loan supports, which will be explained next week, following the three largest banks of the system, which together will get 45 percent of the resources, Inverlat will get 7.9 percent of these resources, whereas Bital and Atlantico will get more than 4 percent.

In turn, Bancrecer and Promex will get more than 3 percent, while Banco Mexicano, Probursa, Confia, and Banorte will get more than 1.5 percent. The rest of the institutions will get small amounts.

As for the new institutions, Carlos Slim's Banco Inbursa is in first place, followed by Industrial and Interacciones banks, in the distribution of those resources that will be used to reorganize the credits of the manufacturing sector through the use of UDI's. Eduardo Creel's Southeastern Bank and Capital and Interestatal banks come in third in access to the UDI's, whereas Banregio, Mifel, Invex, and Quadrum come next.

As for the supports that those banks that opened recently will get to reorganize their mortgage loans, only Inbursa, Industrial, Capital, Interestatal, and Interacciones banks will get them.

The ABM confirmed that those credits rated "E," which are uncollectable, will not be reorganized and that those high risk credits rated "D" could be reorganized through 10-, seven-, and five-year trust funds and without a grace period to pay the capital.

Judge Withdraws From De Tavira Case

95WB0028 Mexico City PROCESO in Spanish No 958, 13 Mar 95 p 45

[FBIS Translated Text] On Friday, 10 March, the eighth judge of criminal proceedings in the Federal District, Carlos Arellano, declared himself disqualified in connection with the case involving Juan Pablo de Tavira. He thereby confronted the Attorney General's Office with the dilemma of repeating the remand for the presumed homicide attempt now before a Mexico State judge, or else dropping the matter.

Juan Pablo de Tavira, the Federal Judicial Police director, presumably suffered an attack against his life on the night of 23 December, which left him with a delayed demyelination syndrome. The loss of myelin causes the brain impulses to be lost. After an investigation lasting over two months, the Attorney General's Office brought a charge of damages against Alberto Castillo de la Riva, De Tavira's chief aide.

The Attorney General's Office did not announce what its next step would be. Moreover, De Tavira's relatives told PROCESO that they were optimistic after a meeting held at the end of last week with all the physicians who have treated De Tavira. They commented: "At least the demyelination process has been halted, and there appear to be signs that a slight myelination process has started."

De Tavira is currently undergoing neuropsychiatric treatment to regain the functions of coordinating and organizing his thoughts, but has not yet succeeded in doing so. De Tavira, ex-director of the Almoloya prison, has received offers of medical treatment from the United States and Cuba.

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Costa Rica

Figueres: Country Economically Unable To Receive Cubans

PA0204035195 Panama City ACAN in Spanish 1650 GMT 31 Mar 95

[FBIS Translated Text] San Salvador, 31 Mar (ACAN)—President Jose Maria Figueres said today in San Salvador that his country lacks economic conditions to accept and care for Cuban "rafters," and that is why it is asking other more developed nations to receive them.

Figueres, who is in this city attending the 16th regional summit that will conclude today, stated during a news conference that his country has "a long tradition of openness and accepting a large number of citizens from other countries who have arrived to live with us." He added, however, that "although we received the first group of Cubans who arrived, with our accustomed affection, of course, and we understand the reasons prompting them to come to our country, it also saddens us to have to say that we are a poor country ... to receive without restrictions the people who leave Cuba."

The president said his government is seeking assistance from other "stronger" countries that can help in this regard "with a spirit of solidarity to give these people the conditions for their development and welfare."

According to reports from San Jose, the government cannot deport 15 Cubans who landed on Monday [27 March] in the country's coasts because the Constitutional Chamber accepted two amparo petitions filed by the Cuban community against the measure.

Figures stated that although one has to acknowledge the significant progress Cuba has made lately in the fields of health, education, housing, and sports, we are also "calling for much greater progress henceforth on matters pertaining to the economy and political pluralism."

El Salvador

Calderon Sol Explains Social Development Plan

PA3103164595 San Salvador EL DIARIO DE HOY in Spanish 28 Mar 95 p 5

[FBIS Translated Text] During a national television network last night, President Armando Calderon Sol explained the main points of the Social Development Plan his government will promote. According to the president, poverty is a chronic problem, which worsened during the 1980's, accumulated since the beginning of Salvadoran history. The premise on which the plan is based is that "there is no economic development without social development or social development without economic development."

That reason is why, he said, we will tackle poverty in an integral manner, sponsoring programs for human promotion and helping the poor find productive jobs. He said the plan also contemplates the protection of the environment. According to Calderon Sol, these are the greatest challenges to becoming competitive and efficient as well as to incorporating the country successfully into the networks of world production.

The president added the objectives of his program are "to systematically reduce poverty until it is eradicated, to promote the complete development of the individual, to improve the level and quality of life of all Salvadorans, and to create a country of opportunity for all, with equity and social mobility."

To accomplish these objectives, he said, human development programs will be developed to include primarily education, culture, health, and nutrition, complemented by housing, water, sanitation, and social protection, Calderon Sol said.

To implement social programs and to affirm this commitment, he added, his government will double public spending on social issues over the next four years, until it reaches 50 percent of the budget by 1999.

In addition, he will make profound transformations to social service institutions in order to expand services and to increase their quality and efficiency.

Municipal governments, the organized community, the private sector, and beneficiaries must participate in this strategy.

The Education Sector

Calderon Sol said the Healthy Schools Program is getting under way. "It will be developed with the effective participation of parents and teachers so as to improve the performance of children and to reduce the school dropout rate," the president said.

He said the program consists of providing food, vitamins, vaccines, and other health services to 600,000 children, with an emphasis on rural and depressed city areas.

He said an aggressive literacy campaign is also under way in an attempt to reduce the 23 percent illiteracy rate, according to data from the last census, to 15 percent by 1999.

The Health and Nutrition Sector

He said a program that will allow authorities to establish a health system for all, with equity and quality, has begun. "We are expanding coverage, improving services, and sponsoring community health and education programs as mechanisms to reduce illnesses, malnutrition, and the infant mortality rate, as well as strengthening the health conditions of women," Calderon Sol affirmed.

He also pledged to strengthen the preventive health service, introducing gradually the Health Services Basic Basket Program, which includes: growth control, children's development and supplementary nutrition; the

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providing of vitamins and minerals, vaccines, and oral health; the treatment of respiratory and intestinal disease; pregnancy control, predelivery and postdelivery care; and reproductive health and family planning, among others.

The Water and Sanitation Sector

The president admitted the problem of water in our country is critical. Therefore, he pledged to satisfy the current and future demand of potable water, to protect water resources, and to improve efficiency in providing water services.

"The goal of our government," he said, "is to increase potable water service to urban areas to nearly 90 percent of the population and, with the participation of communities, to increase services to rural areas from 16 percent to 50 percent by 1999."

The Housing Sector

On housing, Calderon Sol said there is a high quantitative and qualitative deficit that must be reduced. This feat could be accomplish through a cost reduction policy and the increase in the number of credit options to acquire new houses and to improve the quality of those houses that are in a bad condition.

He added that the subsidies for the poorest families will continue through the Fonavipo [expansion unknown] and that the program to issue land property titles will be completed, because the goal is to build 150,000 new houses and to improve another 50,000 within the next five years.

Social Security

On social security, the head of state said a profound reform will be undertaken, because the current social security system takes freedom and mobility away from workers as any change from the public to private sector, or vice versa, translates into losses and the lack of continuity in their pension funds. Individual accounts will be created to ensure workers will supervise their savings.

Social Welfare and Human Promotion

These programs are grouped into four areas: families and vulnerable groups, youths and sports, local development and national reconstruction, and street vendors and small-scale businesses.

For youths, President Calderon Sol insisted we are about to begin sport, cultural, and recreative programs, promoting their physical and mental education while steering them away from vices, drugs, and violence by strengthening the existing sport infrastructure and small sport complexes in all the country's departments.

For children, youths, women, and the elderly, we are improving the mechanisms to protect them from all sorts of abuses, thus strengthening family unity and increasing the number of social and human betterment opportunities for all family members.

Social Plan Summary

Objectives:

1. To eradicate poverty
2. Overall individual development
3. To improve the standard of living of all Salvadorans
4. To create opportunities with equity and quality

Human Development Programs

In order to achieve these goals, the following human development programs will be implemented:

Education: "Healthy Schools." It consists of improving schools, school meals, vitamin and vaccination campaigns, and other services geared toward 600,000 children, emphasizing rural and low income urban sectors. The illiteracy rate will be reduced from 23 percent, according to the latest census, to 15 percent in 1999.

Health and Nutrition: Progressive development of the Family Health Basket Program [Programa de Canasta Basica de Salud], which consists of, among others, children's growth and development controls, supplementary nourishment, oral hygiene, respiratory and intestinal ailment treatment, childbirth control and postchildbirth care, reproductive health and family planning.

Water and Sanitation: Urban potable water services will increase for approximately 90 percent of the population, and with the communities' cooperation, the rural water supply will also increase from 16 percent in 1994 to 50 percent in 1999.

Housing: Credit options to purchase new houses and to refurbish those in a bad condition will expand. Poor families will be subsidized through the Fonavipo. The government's goal is to build 150,000 new houses and to improve another 50,000 within the next five years through public and private financing.

Social Security: A "profound reform" of the existing social security system will be undertaken, because it takes freedom and mobility away from workers, given changes from the public to private sector translate into losses or the lack of continuity in their pension funds. Individual accounts will be created to ensure workers will supervise their savings.

Social Welfare: These programs will be grouped under four areas: families and vulnerable groups, youths and sports, local development and national reconstruction, and street vendors and mini-scale businesses.

Plan Executors

The government, with the participation of municipalities, the private sector, organized communities, and the beneficiaries themselves will be the executors of the plan.

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Resources

In order to implement the Social Plan, the government will double public spending in the social area within the next four years until it represents 50 percent of the budget in 1999.

Guatemala

Bombs Explode Near Presidential Palace; 1 Killed

PA0304034895 Guatemala City Cadena de Emisoras Unidas in Spanish 0322 GMT 3 Apr 95

[From the "News Patrol" newscast]

[FBIS Translated Text] Here is last minute news. At this moment, soldiers and police officers have cordoned off the entire area between 3d Avenue and 4th Street in Zone 1 where a few minutes ago a powerful bomb exploded.

According to municipal fire department information, one person was killed and others were seriouly injured due to the strength of a second explosion.

There is a white sack in the area that could contain a bomb, thus security forces are keeping the entire area cordoned off.

At the moment, President Ramiro de Leon Carpio is in a meeting with UN General Secretary Butrus-Ghali at the presidential palace.

[Mexico City NOTIMEX in Spanish at 0256 GMT on 3 April transmits a similar report adding that the bombs exploded "one block from the Presidential Palace in Guatemala City."]

Possibility of More Explosives Examined

PA0304040195 Guatemala City Cadena de Emisoras Unidas in Spanish 0330 GMT 3 Apr 95

[FBIS Translated Text] National Police experts are going right now to 4th Street, 3d Avenue in Zone 1, where it is believed there is a bag with more explosives. An bomb exploded a few minutes ago killing one person and injuring another. The municipal firemen have reported that their paramedics took the injured person to the San Juan de Dios Hospital. They also stated that a second explosion occurred at Las Ilusiones neighborhood, Zone 18, tonight. This explosion injured one person who was taken to the San Juan de Dios Hospital. Police bomb experts are trying to establish if the bag that is beside the body of the person who was killed by the explosion contains more explosives. However, we do not have more information on this yet.

Accusations Against Military Officers Downplayed

PA0104031695 Panama City ACAN in Spanish 0046 GMT 1 Apr 95

[FBIS Translated Text] Guatemala City, 31 Mar (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio, upon his return from El Salvador, where he attended the 16th Central American Summit, played down the accusations being made against Guatemalan military officers said to be linked to the CIA.

De Leon Carpio said, "We are waiting for the evidence against the Army to be presented."

Newspapers from the United States have revealed that at least four Guatemalan military officers have worked for the CIA and one of them, Colonel Julio Roberto Alpirez, is being accused by U.S. Democratic Congressman Robert Torricelli of being responsible for the murders of a U.S. citizen and a Guatemalan guerrilla.

"We are anxiously waiting for a meeting with the U.S. Government," De Leon Carpio said. He added that as long as there is no official report, the accusations against the military officers do not deserve any more comment.

The president refused to give his opinion regarding the actions his government could adopt if U.S. lawyer Jennifer Harbury, the wife of murdered Guatemalan guerrilla Efrain Bamaca, returns to the country to claim his remains.

Defense Minister General Mario Rene Enriquez said Harbury could be arrested for being a "guerrilla," but said the matter will be up to the Attorney General's Office.

Charges Against Officers Harming Intelligence Agencies

PA0104031195 Guatemala City PRENSA LIBRE in Spanish 31 Mar 95

[FBIS Translated Text] Defense Minister Mario Rene Enriquez Morales said yesterday that the charges against high-ranking military officers that link them to the CIA seek to harm those intelligence agencies that exchange information for their mutual benefit.

Enriquez added that the accusations are the result of the efforts of U.S. citizen Jennifer Harbury to harm or influence the process of U.S. aid to Guatemala.

Enriquez said that relations with other intelligence agencies exist not to exchange information [as published], but to promote programs to fight drug trafficking, contraband, and other crimes.

Enriquez emphasized that to talk about soldiers being in the CIA's payroll is degrading, and whoever appears in said payroll is in an embarrassing situation. Enriquez is optimistic because in the end, the *truth will come out, because no one in Guatemala is against revealing this information so that the accused may rid themselves of the accusation. Personally, I do not believe that any officer is involved with the CIA because army officers must maintain their dignity,* Enriquez concluded.

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Government, Guerrillas Sign Point of Agreement

PA0204172495 Mexico City NOTIMEX in Spanish 2211 GMT 31 Mar 95

[FBIS Translated Text] Mexico City, 31 Mar (NOTIMEX)—The government and guerrillas of Guatemala, with UN mediation, signed a point of agreement today entitled the "Identity and Rights of the Indian People," which seeks to end 35 years of armed confrontation.

Deputy Education Minister Manuel Salazar of Guatemala acknowledged that the signing of this agreement represents a basic historical act for his country's Indian people, who represent 60 percent of the total population.

Rebel Commander Rodrigo Asturias said the document reaffirms the Guatemalan National Revolutionary Unity's [URNG] commitment and resolve to move forward with a process that seems to offer major achievements toward peace.

He said the URNG is ready to encumber its best efforts and capacity and to give proof of the political will to "prolong this great moment in the peace negotiations process."

Gilberto Schlittler said on behalf of the UN secretary general the agreement has had a positive effect on the international community and its commitment to continue supporting the process despite the delays in the peace negotiation and verification process.

He added the agreement will generate a basis for other effective agreements on fundamental issues between the government authorities and the representatives of the Indian people.

He affirmed that "the Indian population and its organizations, as well as the government and all Guatemalans, must now make this agreement their own and develop new ways of coexistence."

Mexican Foreign Secretary Jose Angel Gurria, on behalf of the nations supporting the Guatemalan peace process, said the new agreement is a historic achievement for peace and demonstrates the political resolve and good faith on the two sides. He added this progress confirms the theory "the results will be encouraging and constructive when there is a genuine commitment between the parties to the negotiation."

The document was negotiated for six months and contains, among other points, sections on the identity of the Indian people, the fight against discrimination, cultural rights, participative commissions, resources, and conclusions.

The subtitles of this 25-page agreement include rights of Indian women, the fight against legal and direct discrimination, international instruments, language, spiritual rights, temples, ceremonial centers, sacred sites, and attire.

The agreement also includes science and technology, educational reform, the media, constitutional status, local Indian communities and authorities, regionalization and participation on all levels, customary law, and land rights.

It states the UN secretary general will verify compliance, taking into account the opinions of the Indian organizations. It also provides that this new text is part of the Agreement for Lasting and Firm Peace, which goes into effect with the signing of the final document.

The Guatemalan Government agreed to make every necessary effort to make readily available the essential resources needed to execute the agreement.

In addition to the government, the document states wide portions of the population may take an active part in promoting respect for the identity of the Indian people and their rights.

It calls for all sectors of the Guatemalan community to contribute to the fulfillment of the accords within the scope of their responsibility and with whatever resources they have available. It recognizes that international cooperation, in the form of technical and financial resources, is an essential complement to the nation's efforts.

Nicaragua

President Chamorro Comments on Various Issues

PA0204195295 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 28 Mar 95

[From the "National Newscast"]

[FBIS Translated Text] At the Modesto Bejarano school in the Acagualinca neighborhood today, President Violeta Barrios de Chamorro inaugurated the 1995 school nutrition program known as Glass of Milk. Following the event, President Chamorro was approached by reporters who questioned her regarding various issues:

[Begin recording] [Unidentified reporter] There are reports the Venezuelan Supreme Court has questioned you regarding an allotment of $17 million used by former Venezuelan President Carlos Andres Perez. What about this matter?

[Chamorro] That is true. It is nothing new; it is old. A long time ago, I testified on President Perez' behalf. I said what I thought I had to say. I read about it in a local newspaper. I do not know whether it was BARRICADA, NUEVO DIARIO, or LA TRIBUNA, but I have not received any notification from the Venezuelan Supreme Court of Justice. If I do, I will respond.

[Reporter] This means you are willing to answer the court?

[Chamorro] Of course.

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[Reporter] It is rumored Deputy Minister Thomas Delaney is going to resign.

[Chamorro] What?

[Reporter] It is rumored Deputy Minister Thomas Delaney is going to resign.

[Chamorro] This is the first time I am hearing of it.

[Reporter] Madame President, it is also rumored the COSEP [Higher Council of Private Enterprise] is pressing the government to sign the constitutional reforms. Is this true?

[Chamorro] I said from the very beginning of this little problem with the reforms that I am a [words indistinct] it will be all right, because regardless of what they do, I am waiting for the Supreme Court of Justice to hand down its decision.

[Reporter] How likely is it that the teachers will get a raise now that they are staging a hunger strike? How likely is it that the government will meet their demands?

[Chamorro] I must say that a raise is not at all possible. I do not have money. As I said the other day at the lake port of San Jorge, Rivas Department, I cannot give them a raise. What we can do is help each other, discuss the matter, and find a solution, but a raise I cannot give, and our needs are even greater with our current budget.

[Reporter] The Sandinist Assembly says [words indistinct] should be fired, because he is a [words indistinct] minister.

[Education Minister Humberto Belli] I am highly honored that this issue should come from a group that enjoys the Nicaraguan people's respect and trust. Coming from this group, it does not worry me; it honors me. [end recording]

Reforms Movement Denounces Plotting of 'Political Trick'

PA0204132295 Managua BARRICADA in Spanish 27 Mar 95 pp 1, 2

[Report by Xavier Rayo]

[FBIS Translated Text] Yesterday, the Movement for the Defense of Constitutional Reforms [Movimiento en Defensa de las Reformas Constitucionales—MDRC] denounced that the Christian Democratic Union [UDC] and the Ramirista group are plotting a "political trick" with the government at meetings being held at the UN Embassy.

During a lengthy meeting with the departmental MDRC promoters, the dialogue between three deputies and Ministers Antonio Lacayo, Francisco Rosales, and Tomas Delaney was denounced as a "betrayal."

Rhina Cardenal Debayle, of the National Conservative Party [PNC], said the dialogue was "a shame," adding "it was used to negotiate the implementation of reforms" for the benefit of certain individuals, with Francesco Vincenti favoring Lacayo." [no opening quotation mark as published]

The PNC leader condemned the agreement to approve other laws, such as the property law and the law to privatize Telcor [Nicaraguan Telecommunications and Postal Services Institute], without the legislative representatives demanding the enforcement of the constitutional reforms.

Nicasio Zeledon, of the Communist Party of Nicaragua, called the UDC members and the Ramirista group "traitors" for having reached a political agreement and giving the government more breathing room, after it denied the validity of the reforms.

Zeledon attacked the UDC members and their allies, denouncing them for "making another governability plan with Lacayo" and pointing out that the group is a minority that does not usually take to the streets with the people to defend the reforms.

Dangerous Negotiations

PNC member Adolfo Calero Portocarrero warned of the danger of the negotiations, which are an attempt to establish a new transitional protocol, with arrangements for the government and the alleged pact members.

Doctor Miryan Arguello dismissed the possibility of a constituent assembly, because none of the 13 that have been held in Nicaragua has worked out, and the governments in office used it to remain in power and favor their supporters.

Arguello Morales said she did not know who delegated the representation of the National Assembly, particularly that of the political parties that had made the reforms, to Dora Maria Tellez, Cairo Manuel Lopez, and Luis Sanchez Sancho, or how she was appointed to an unknown commission described as "short-term."

MDRC Coordinator Eli Altamirano, as well as other participants, demanded a trial against President Violeta de Chamorro for disregarding and refusing to enforce the reforms, while describing the dialogue between Lacayo and the legislators as "a trick."

Calero Portocarrero, Dr. Arguello, and other speakers criticized the total absence at the meeting of UDC members, Sandinist Renewal Movement members, and the other deputies who approved the reforms.

Potoy and Luis Sanchez Sancho

Former Comptroller General Guillermo Potoy Angulo, of the National Democratic Party [PND], did not speak, alleging time constraints. The audience expected Potoy to explain the participation in the dialogue of Luis

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Sanchez Sancho, a member of the PND. Certain participants recalled that Sanchez signed the Transition Protocol, which the UNO [National Opposition Union] hates.

Accusations of "weathering the storm" were not only attributed to the deputies, however, but also to their alternates, mayors, and councilmen, as well as other sectors that had initially supported the reforms, including political parties and the private sector.

Besides the UDC and the Ramirista group, the MDRC meeting was not attended by leaders from Arnoldo Aleman's Liberal Constitutionalist Party [PLC], nor from Roberto Urroz's Nicaraguan Democratic Movement although there was a small group from those parties' rank and file.

Likewise, none of the leaders of the Higher Council of Private Enterprise attended the meeting to demand the enforcement of the constitutional reforms, except Mario Montenegro, of the PLC, who left a few minutes later.

Army Commander Says DEA Must Obey Country's Laws

PA0304035495 Managua BARRICADA in Spanish 30 Mar 95 pp 1, 2

[Report by Mario Sanchez and Noel Irias]

[FBIS Translated Text] General Joaquin Cuadra Lacayo, commander-in-chief of the Nicaraguan Army, stated yesterday that the DEA can never operate in Nicaragua as a foreign unit because there is no signed agreement to this effect "and I do not believe the Foreign Ministry will allow it nor do I think this type of agreement can be signed because it would go against the nation's laws and its sovereignty."

The DEA—the U.S. drug enforcement office—cannot operate in Nicaragua in any way if this is not previously coordinated with national police and military authorities, General Cuadra Lacayo insisted.

The Army commander maintained that Nicaragua welcomes any international effort to counter drug-trafficking activities if countries' sovereign principles are respected.

Gen. Cuadra's statements alluded to reports published by BARRICADA last week on several DEA operations in Nicaragua, which apparently had been carried out without the knowledge of national authorities.

He insisted that Nicaraguans and foreigners—in this case the DEA—can work together to combat drug trafficking only if they have due respect for each other.

New Relationship With the DEA Begins

Meanwhile, Deputy Government Minister Frank Cesar announced yesterday morning that the drug information center—Joint Intelligence and Information Center [previous five words in english] (JIIC)—which will share information with the DEA data banks, will be installed in three months.

He also explained that DEA officials came on a working visit to Nicaragua recently, and among other things, had coordinated the installation of the information center.

Cesar, in statements given after the National Drug Council was installed yesterday, reported that the Foreign Ministry had already received the U.S. Government's official letter requesting authorization to establish a DEA office in Nicaragua.

Government Minister Sergio Narvaez also reported that Commander Leon Espinoza, who was recently transferred from the National Police, will not work in the drug information center.

According to the minister, Espinoza will be his assistant at the Directorate of Intelligence Affairs, DAI. He, however, refused to say if Espinoza will continue to be a police officer or not.

"We will see him as a police officer." "We are discussing this." "I do not know him to be a civilian." Those were some of the phrases used by Narvaez to explain Espinoza's situation and they contradict National Police Director General Fernando Caldera who has asserted that Espinoza is no longer a member of the institution.

According to legal dictates, the recently-installed National Drug Council will be a government advisory mechanism in the evaluation of drug policies, Narvaez explained.

The commission members include the government, education, and health ministers, the Attorney General, National Police director, the president of the National Assembly Drug Commission, and delegates of youth organizations legally established in the country.

The government minister asserted that this work group will attempt to give comprehensive answers to very complicated problems such as the domestic consumption of drugs and the rehabilitation of addicts.

The commission will have the services of a group of professionals from several specialities—criminology, social work, sociology, journalism—and a team that will control the country's banking and financial activities to avoid illegal transactions with money coming from drug-trafficking undertakings.

Panama

President on Announcement of Southern Command Transfer

PA0104183895 Panama City LA PRENSA in Spanish 1 Apr 95 p A-1

[Report by Ismael Hernandez]

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[FBIS Translated Text] Santiago, Veraguas—The transfer of the Southern Command to Miami is a fact that should not surprise anyone, because the Torrijos-Carter Treaties stipulate the dismantling of the military bases in Panama, President Ernesto Perez Balladares said in Santiago, Veraguas, last night.

Perez Balladares added that while certain people are optimistic about the prospects opening up with the use of these installations, others continue to voice their discontent and bleakest omens.

On 29 March, U.S. President Bill Clinton announced the transfer to Miami of the Southern Command headquarters through an operation that will cost $60 million.

Perez Balladares said that the permanence, outside the United States, of the Southern Command installations would not make much sense and that the announcement implies the shutdown of offices and the transfer of personnel, both in relatively small numbers if compared with the total number of military forces stationed in our country.

He made it clear that he was referring to this point, because it demonstrates an attitude which "we should try to eradicate" and which consists of spreading fears in light of changes that will happen anyway.

"Instead of sitting down to mourn the withdrawal of the Southern Command and the closure of military bases, Panamanians should generate initiatives to give those installations a more productive use than their current one and generate more jobs than the current numbers," he added.

"Rather than crying for what will end, we should be happy for what will begin," the president insisted. Perez Balladares spotlighted the example of Panamanian producers who do not limit themselves to complaining about their hardships in difficult times but manage to take advantage and learn from adversity.

He said certain people have adopted similar attitudes regarding the efforts being undertaken for Panama's admission into the WTO [World Trade Organization].

Perez Balladares gave this statement in Santiago last night during the inauguration of the new National Association of Millers Board of Directors. Juan Virzi Lopez and Jorge Altamirano will be chairman and secretary, respectively, of this new board.

Announcement Draws Continued Reaction

PA3103163895 Panama City EL PANAMA AMERICA in Spanish 31 Mar 95 p E-16

[Report by Carlos Anel Cordero and Juan Manuel Diaz C.]

[FBIS Translated Text] The transfer of the Southern Command to Miami means very few workers will lose their jobs, Arturo Thomas, leader of Panamanian workers at U.S. bases, said yesterday. Meanwhile, Panamanian Foreign Minister Gabriel Lewis Galindo said in El Salvador this decision is in keeping with the Canal Treaties.

Thomas, secretary general of Local 907, said that only U.S. Army officers live at Quarry Heights, headquarters of the Southern Command, and that fewer than five Panamanians work there.

He said, however, more than 10,000 Panamanians who work directly or indirectly with the U.S. Army will lose their jobs in 1999, as the term of the treaties draws to an end.

Lewis Galindo said this transfer is part of a normal transition process that will conclude on 31 December 1999.

Meanwhile, Government and Justice Minister Raul Montenegro has said the announcement made by the U.S. authorities is a faithful reflection of compliance with the spirit of the treaties.

Montenegro insisted the pullout of U.S. soldiers from the Canal area will not have serious effects on the national supply of jobs, because the government is implementing plans to face this situation.

Balbina Herrera, president of the Legislative Assembly, has said this decision is only part of what has been stipulated in the treaties, adding the governments would have to renegotiate under more favorable conditions for Panama should the United States be interested in keeping some of the bases in Panamanian territory.

Former canal administrator Fernando Manfredo has said this is the Panamanians' chance to demonstrate their creativeness, because the infrastructure that will be left by the bases can generate greater profits.

Alberto Cigarruista, Authentic Liberal Party legislator, has said the announcement made by the United States could involve some type of pressure on the government to begin a process to renegotiate the Canal Treaties.

Commentary Deems Southern Command Transfer 'Catastrophe'

PA0104133495 Panama City EL PANAMA AMERICA in Spanish 31 Mar 95 p 1

[From the "Panama's Pulse" column]

[FBIS Translated Text]

Bases

The U.S. Southern Command's transfer to Miami, to be carried out in three years, will leave hundreds of Panamanians jobless, not to mention those who are regularly dismissed throughout the course of the inexorable dismantlement of the bases, which is being carried out according to an agreed upon timetable. This also foils the attempts of Puerto Rico and others to keep the Southern Command.

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Work

Miami is a city afflicted by unemployment and crime, and has received the news of the Command's transfer as a blessing, to such an extent that President Clinton went there to make the important announcement. Meanwhile, we continue to waste time in pointless discussions while Honduras has offered to accept the bases for free, aware of the benefits.

Concern

It is no secret to anyone that the prosperous construction industry is about to collapse. The Americans are excellent clients, difficult to replace. We will soon see the sad sight of dark, empty buildings, erected like gigantic tombs to honor indecision and negligence. If we are headed for a catastrophe, we should at least realize it.

President on Trade With Cuba, U.S. Bases, Colon Free Zone

PA0204034195 Panama City EL SIGLO in Spanish 29 Mar 95 p 49

[Report by Leoncio Obando]

[FBIS Translated Text] Panamanian President Ernesto Perez Balladares said in an interview with EL SIGLO that "the United States has every right to legislate for its citizens and within its borders, but it cannot attempt to apply its laws to third states that have nothing to do with the conflict," when reasserting there are no legal provisions in Panama that prohibit nationals from trading with Cuba.

The Panamanian president referred to the pressure exerted by some U.S. senators concerning fines against third country nationals who break U.S. laws that prohibit trade with Cuba. He emphasized that European Community countries like France, England, and Germany are increasingly demanding investments in Cuba, "breaking, if you will, the alleged law."

Referring to what he termed a "refusal" to comment on the negotiations on the U.S. bases' stay beyond 2000, Perez Balladares said he cannot comment on conjectures because the president of the Republic has a responsibility to speak as such rather than to state his personal views. He added that this is still an unofficial issue and it pertains to the interests of some U.S. senators.

Referring to the UNESCO mission in Panama, he said it greatly benefits the quality of education by making proper use of assets that will revert according to the Torrijos-Carter Treaties, making the idea about a City of Knowledge come true and using modern technology to improve the quality of education.

Talking about the composition of the Interoceanic Region Authority (ARI) Board of Directors and about choosing the administrator, the president said he is currently evaluating candidates; and the administrator will be chosen from a list of three candidates, as it has been announced.

Perez Balladares also said he understands Japanese businessmen who disagree with the 1.5 percent surtax established by the bill on generalization of tax incentives. He emphasized the businessmen have every right to complain, adding that his government does not want to cause any harm to any businessman and stating that he is concerned about Colon's reality. This tax strives to use the riches generated by the Colon Free Zone to support the province's development because its residents are losing their self-esteem.

According to the president of the Republic, the Colon Free Zone contributes an 8.5-percent income tax. Expounding on the issue, he said this generates a revenue of approximately $500 million or $600 million per year, resulting from $10 billion in purchases and sales, which is the specific figure for 1993. He said 5 or 6 percent of this is a net profit, on which an 8.5 percent tax should have been paid, "meaning between $45 million and $50 million, and businessmen paid $8.7 million in taxes."

Perez Balladares admitted he does not have the financial means to solve Colon's social problems and said it would not be right to turn a blind eye on what the Free Zone is producing and the evasion by businessmen who use the storage and redistribution area. He reiterated his interest in giving the Panamanian state enough contributions to help Colon, "which is immersed in its shame;" and there is no other way to do this, except through the collection of adequate taxes.

The president reasserted to EL SIGLO that "certain enterprises will find it impossible to remain in the Colon Free Zone due to this tax. I believe this will happen, but it will be a minority and they will be replaced by other enterprises." He stated his interest in improving the commercial empire's competitiveness, but not at the cost of tax evasion and violating the law. He said it is not conceivable that to move a container from Colon or Cristobal costs 10 times more than to move one from ports like Jamaica or Singapore, while the province receives no specific benefits from the Free Zone.

Meanwhile, UNESCO Director General Federico Mayor—who was accompanied by Gabriel Garcia Marquez, Nobel Literature Prize winner, and Luis Alberto Lacalle and Miguel de la Madrid, former presidents of Uruguay and Mexico, respectively, as well as former Nicaraguan Vice President Sergio Ramirez Mercado—said the meeting sponsored by UNESCO seeks to achieve Latin America's integration and support the Panamanians in facing the challenge in 2000. He said that training will be a basic element for the creation of the City of Knowledge, which, according to Mayor, is President Perez Balladares' achievement; adding a 1997 congress is expected in Panama, for the sake of Latin America's integration.

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Cabinet Approves Agreement With Mexico To Fight Drugs

PA0104133395 Panama City EL PANAMA AMERICA in Spanish 29 Mar 95 p 16e

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] The Cabinet Council approved on Monday [27 March] a cooperation agreement to fight drug trafficking and abuse signed with Mexico. In the coming weeks, the agreement will be sent to the Legislative Assembly to be ratified, a top government source said yesterday.

The source told EL PANAMA AMERICA that the accord contemplates the creation of a commission made up of officials from the two governments who will be primarily tasked with strengthening the joint war on drug trafficking and abuse.

The accord, signed 8 March, also includes the exchange of judicial information between the two countries to fight the scourge, as well as technical and financial aid to destroy narcotics laboratories the source added.

According to this official, once the Legislative Assembly and the Mexican Congress ratify the accord, a list will be drawn up of the needs the initiative may help meet.

Along with this accord, Panama and Mexico are negotiating a Mutual Legal Assistance Treaty (MLAT). The Panamanian Government is negotiating similar agreements with Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. Accords similar to the one negotiated with Mexico are also being discussed with Canada and Argentina also.

In addition, a government source told EL PANAMA AMERICA that Robert Gelbard, assistant secretary for international narcotics matters, will visit Panama in April to donate to Panamanian Police six double turbine-engine helicopters to fight drug trafficking. A U.S. Embassy source said Gelbard has not yet confirmed the exact date of his visit.

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Argentina

Deputies Charge U.S. Ambassador With 'Attempted Extortion'

PY3103154395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1350 GMT 31 Mar 95

[FBIS Translated Text] Buenos Aires, 31 Mar (NA)—Four deputies today presented to the Supreme Court a penal charge against U.S. Ambassador James Cheek. The deputies accuse him of the crime of attempted extortion based on his remarks about the Patents Bill.

Fernando Pino Solanas [Grand Front], Ricardo Molinas [Front for a Country in Solidarity], Alfredo Bravo [Democratic Social Party], and Hector Polino [Democratic Social Party] presented the charge directly to the Supreme Court, which handles cases involving ambassadors and foreign representatives.

In their accusation, the deputies state that "since being accredited, Ambassador Cheek has routinely and freely interfered in the most diverse internal affairs of our country."

The accusers state that Cheek's attitude "is, in our opinion, extortion in the name of the greatest power on earth at a time when the economic situation determines the need to resort to loans or funds that depend on decisions by the United States."

They add that the diplomat's statements "surpass the tolerable limit of expressing an opinion on our public institutions." They condemn his comparison with Burundi and Suriname, "countries with which we maintain friendly and diplomatic relations."

Finally, they maintain that statements by the U.S. representative "are a clear, offensive, and major intimidation that sought a law in Congress different from the one passed."

Military Industries Trustee Fired Over Arms Sales Issue

PY3103190595 Buenos Aires CLARIN in Spanish 31 Mar 95 p 14

[Investigative report by Daniel Santoro, Luis Garasino, Walter Curia, and Javier Calvo]

[FBIS Translated Excerpt] Military Industries [FM] Trustee Luis Sarlenga was forced to resign last night over the scandal involving arms sales to Ecuador and presumably to Croatia. The decision was made by President Carlos Menem in an attempt "to close this issue."

The government yesterday fired FM Trustee Luis Sarlenga following the scandal over the arms sales to Ecuador and presumably to Croatia. In the latter case, the issue was even discussed at the United Nations.

President Carlos Menem ordered the first resignation in the Defense Ministry area after an intense day during which various names were mentioned as candidates for removal. In addition to Sarlenga, Vice Minister Jorge Baeza and Planning Secretary Guillermo Etchechoury were mentioned. [passage omitted]

Sarlenga was urgently summoned by Defense Minister Oscar Camilion to the Defense Ministry last night. At that time Sarlenga's removal had already been sealed following a decision made by Menem, who resorted to Eduardo Bauza, secretary general of the presidency, to convey the news to Camilion. [passage omitted]

Almost at the same time, President Menem conveyed to Bauza his decision "to close this issue," directly hinting at the need to prompt a resignation.

The president's anger seemed to reach this level after confirming the international impact of the scandal. [passage omitted]

New Trustee Appointed

PY0104005995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2221 GMT 31 Mar 95

[FBIS Translated Text] Buenos Aires, 31 Mar (NA)—Brigade General Juan Carlos Andreoli today took over as trustee of the Military Industries General Directorate, replacing Luis Sarlenga, who resigned.

Andreoli has been arsenals director at the Army General Staff. Defense Minister Oscar Camilion appointed him to the new post after accepting Sarlenga's resignation.

Andreoli was installed at 1830 during a ceremony at the Defense Ministry presided over by Jorge Baeza, Defense Ministry military affairs secretary.

Sarlenga's resignation—which was anticipated last night after his meeting with Camilion at the Defense Ministry—was a consequence of the controversy over the shipment of Argentine arms to Ecuador and Croatia.

Sarlenga insisted that the arms that were shipped to Ecuador during that country's conflict with Peru were sold to Venezuela and Military Industries did not have any responsibility with regard to the diversion to Ecuador, but the pressures for his dismissal, from the moment the information became known, precipitated his downfall.

Andreoli's installation ceremony was attended by, among others, Lieutenant General Mario Candido Diaz, Armed Forces chief of staff; Army chief Lieutenant General Martin Balza; and Defense Ministry Planning Secretary Guillermo Etchechoury.

Bolivia

Group of 45 U.S. Military Antinarcotics Advisers Arrives

PY3103183195 Cochabamba LOS TIEMPOS in Spanish 18 Mar 95 p A2

[FBIS Translated Text] La Paz, 17 Mar (LOS TIEMPOS)—By official request of the Executive Branch and

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with congressional authorization, 45 U.S. military advisers have arrived in the country. It was announced that this contingent will be increased to 126 instructors by September 1995.

Gonzalo Barrientos (UCS) [Solidarity Civic Union], president of the Chamber of Deputies Defense Committee, reported that most of the instructors are assigned to the antidrug fight and to the eastern Bolivian region.

He said that all requests for the entry of these U.S. military instructors have been supported by the Chamber of Deputies plenum. "The procedure is as follows: President Gonzalo Sanchez de Lozada submits a request to Vice President Victor Hugo Cardenas, who then submits it to Javier Campero Paz, president of the Chamber of Deputies, who then sends it to this committee, which after appropriate analysis submits it to the plenum, which finally authorizes the entry of the 126 troops," he said.

Barrientos reported that all these requests had been made by President Gonzalo Sanchez de Lozada, and that Foreign Minister Antonio Aranibar is aware of it.

Each delegation of military advisers arrives in Bolivian territory and upon concluding their tasks returns to their country. Congress has authorized the following timetable for the entry of military advisers:

Thirty-five military experts, their mission training at the Bolivian Air Force, from 30 January to 26 March (without carrying weapons).

Four U.S. military experts to fulfill the joint mission with the Bolivian naval forces in antidrug training, from 28 February to 28 June (without carrying weapons).

Four U.S. Air Force noncommissioned officer experts to conduct topographical studies at landing strips and jumping zones, for future training with the Bolivian Armed Forces, from 6 to 27 March (without carrying weapons).

Forty-five U.S. Army experts to carry out missions with members of the Armed Forces in the locality of Santo Corazon de Santa Cruz, from 1 to 20 May. (It was postponed to the months between July and September; without weapons).

Two instructors from the Puerto Rican National Guard to conduct training courses in anti-aircraft operations at the Bolivian Air Force, from 15 to 26 March.

Eight U.S. military experts to carry out a joint mission with the Bolivian naval forces in antidrug training in the regions of Trinidad and Guayaramerin, from 20 March to 27 April (without carrying weapons).

Three U.S. military experts to carry out a joint mission with members of the Bolivian Armed Forces in medical training in the regions of Trinidad and possibly Riberalta, Puerto Villaroel, and Guayaramerin, requested by the naval forces, from 27 March to 30 May (without carrying weapons).

Senate President on Drug Conflict

PY0104023495 Cochabamba LOS TIEMPOS in Spanish 19 Mar 95 p C10

[Report by Gerardo Irusta Medrano and Eddy de la Quintana]

[FBIS Translated Excerpt] La Paz, 18 March—National Senate President Juan Carlos Duran said today that if the United States decides to "decertify" Bolivia with regard to the fight against drug trafficking, democracy in the country will end and a serious process of economic and political instability will ensue because the international community will follow the U.S. position.

Duran held a long meeting with LOS TIEMPOS journalists accredited in this capital. He gave a detailed explanation of his viewpoints on the delicate issue of coca-cocaine at a time when the U.S. Government has established an almost impossible schedule for the eradication of surplus coca plantations.

Duran said that thus far Law 1008 has been the legal norm regulating the Bolivian fight against drug trafficking, despite the fact that the law is being seriously questioned by some legislative groups. The Senate president said the international community demands that we fulfill our own laws on drug trafficking.

"We Bolivians created Law 1008. No one can claim responsibility for or against it because the law was approved by consensus in Congress. I am one of the authors of that law. We approved it, conscious of the fact that at the time, it was the best instrument to fight the drug trafficking that was taking over the country," Duran said.

The Senate leader said: "What the United States and the international community now request us to do is to fulfill the terms of our own law, which, as long as it is in effect, is the only legal norm on the matter."

Juan Carlos Duran was minister of government when Law 1008 was approved.

The Senate president admitted: "We have not even been able to maintain the levels of cultivation we had when Law 1008 was approved. Areas under cultivation have increased." Duran acknowledged that the main causes are the social problems derived from poverty.

He said he understood that the United States and the international community have not seen progress in Bolivia, Peru, and Colombia concerning reduction of coca plantations. Consumer countries are now convinced that if we do not eliminate coca plantations, we will never eliminate cocaine, and Democrats and Republicans fully agree on this point.

Duran said the U.S. position is reflected in the entire international community through the United Nations. It

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is, therefore, an international, a world, position, one which Bolivia cannot fight. "It is us versus the entire world," Duran said.

"If we do not see the real dimensions of this problem, we will face serious economic, political, and social difficulties," Duran warned.

The Senate president added that leading nations assumed this position after previous antinarcotics policies designed by the international community "had failed."

"The drug problem concerns the entire world, and it requires a new international policy. They have already established a strategic goal, the central point of which is the reduction of surplus coca plantations. The problem now is how to go about eliminating the surplus cultivation," Duran said.

"Perhaps we can eliminate all coca plantations. We can always find a way to do it, although that is not the case now. But the main question is what will happen if we eliminate all coca plantations in Bolivia and consumer countries continue consuming the drug. Because we also have a market problem."

Duran said it is important if raw material producers sit down to study the problem. It is also important if consumer countries take up the problem and start dealing with drug supply and demand properly, because there will be drugs as long as there is a market for them, whether it is with raw materials planted here or in any other part of the world."

Duran believes "this is not a political issue, but a serious national security concern that cannot be used as a partisan issue. You cannot use this issue to push the government against the wall, because it is tantamount to placing the country against the wall."

The Senate president is convinced the coca cultivation increase in Bolivia is nothing compared to increased plantations in other countries, including Peru. But the international community take Bolivia as a point of reference nonetheless.

"We cannot pull the international community's leg. We received money to eradicate surplus crops, but cultivation has increased and continues increasing in other areas, in violation of Law 1008. The international community only wants us to enforce our own law," Duran said.

The Senate president concluded by mentioning that "drug trafficking is a reality and we must fight this scourge because the entire world wants it. We cannot go against a world decision."

Duran confessed that he is distressed by the feeling of frustration and the lack of hope and faith he notices in citizens, as well for the gloomy and serious attitudes assumed by political, labor, and civic leaders with respect to the problems facing Bolivia in the context of a dynamic process of change that affects the international community as a whole.

Duran held a meeting with journalists at LOS TIEMPOS' editorial center in La Paz. Asked about social, political, and regional conflicts facing the country, Duran, after pondering for a few minutes, said: "I must confess that I personally live with anguish for this feeling of frustration and defeat, melancholy, and sadness embracing important groups of the population."

Duran said that feeling is characteristic of a good section of the Bolivian population and it is reflected in organizations that represent society. Duran added that the feeling even affects national institutions such as the Congress, where the country's problems, large or small, are almost always taken as tremendous and very grave, as if the future and existence of the Republic depended on them.

"This is one of the great issues we must all face with a new criteria, now that we are being projected into a new century and the third millennium. This new criteria calls for a collective review of those feelings and of the negative way of seeing things in order to overcome the feeling of defeat that characterize our people," the bearded legislator, who has presided over the Senate from August 1993, said.

Duran said the deep content of the plan of changes implemented lately, which includes a constitutional reform, capitalization laws, the popular participation plan, and educational reform, are oriented toward renewing Bolivian society's faith and hope so that we can all look at the country with optimism and commit ourselves to eagerly participate in its development. [passage omitted]

Brazil

Minister Serra Warns Against Speculative Price Hikes

PY0104014795 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 31 Mar 95

[FBIS Translated Excerpt] The government has invited Brazilian car manufacturers to discuss prices and the new rules of the market. The government does not even want to hear about price increases. [passage omitted]

To consumers dreaming about a new car, the situation has become extremely complicated. Prices of imported cars are expected to increase by at least 35 percent. Those unwilling to pay this new price are likely to end up on a waiting list for Brazilian-made cars.

Brazilian car manufacturers will not be able to rapidly increase their production to meet the additional demand stemming from the declining number of imported cars. To do this, they will have to manufacture an additional 40,000 cars monthly.

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Brazilian car manufacturers will discuss the issue with government officials next week. In the meantime, executives of the car industry are exercising caution: They prefer to talk about investments instead of price increases. [passage omitted]

[Begin Finance Ministry Pedro Malan recording] All those items affected by the import tariff increase are manufactured products. The tariff increase will have absolutely no impact on any chain of production and it will not affect industrial costs of any productive activity. Thus, I see absolutely no reason to believe that the market has been protected and that this will result in price increases. [end recording]

Planning Minister Jose Serra tonight warned that if the prices of Brazilian products are increased, the respective import tariffs will again be lowered.

Serra said that the government will not tolerate speculative price increases.

Lawmakers Voice Concern, View 'Depletion' of Plan

PY0104035795 Rio de Janeiro O GLOBO in Portuguese 31 Mar 95 p 3

[Report by Rossana Alves and Tales Faria]

[FBIS Translated Text] Brasilia—The shift in the import policy has, for the first time, sparked discussions in Congress about the depletion of the Real Plan. Even powerful lawmakers who support the government in Congress yesterday expressed their concern.

Deputy Roberto Campos (PPR-RJ) [Progressive Renewal Party-Rio de Janeiro], a former finance minister, said: The government has caused the plan to enter an area of turbulence.

The strongest objections, however, came from members of the PMDB [Brazilian Democratic Movement Party]. Gilberto Miranda (PMDB-AM) [Amazonas], chairman of the Senate Economy Committee, said: "The Real Plan has become depleted." In his opinion, the increase of import tariffs to 70 percent has gone beyond the levels reached under former Finance Minister Delfim Netto, who today is a PPR deputy, but they "will not solve the problem."

Senator Roberto Requiao (PMDB-Parana) said: The Real Plan was based on the Mexican and Argentine models, which have failed. The government has lost control over the economy, and it is just taking piecemeal corrective actions.

The concern in Congress is that the import tariff increase may not be instrumental in reversing the trade balance deficit and that the government may have to promote further devaluations of the real in the future, thus pushing inflation upward.

Endorsing the government position that the plan has not been depleted, Deputy Antonio Kandir (PSDB-SP) [Brazilian Social Democracy Party-Sao Paulo], who served as economic policy secretary during the Collor administration, said: Principles of economic policy rule that expectations of devaluation should be eliminated. The recent measures will put an end to these expectations, but only within three or four days will we be sure of their effectiveness. If they persist, other measures will have to be adopted.

Deputy Francisco Dornelles, leader of the PPR bloc and former finance minister, said: There was no other choice. The government could not give up its goal of obtaining a trade surplus.

Senator Sergio Machado of Ceara State, the PSDB leader in the Senate, said: An adjustment was made to come to terms with reality because the international economy had changed as a result of the Mexican and Argentine crises.

Deputy Campos reaffirms, however, that the government should have adopted a more realistic devaluation two weeks ago and should have approved export incentives.

Campos added: The government has regressed to the pre-Collor era by adopting unexpected measures that wreak panic through the international financial community and create the impression that the government was concealing the seriousness of the situation and that it is acting hastily.

Commentator Criticizes List of 'Banned' Import Items

PY0104034595 Rio de Janeiro O GLOBO in Portuguese 31 Mar 95 p 18

[Commentary from the "Economic Outlook" column by Miriam Leitao: "Banned items"]

[FBIS Translated Text] Brazil imported 12,600 refrigerators in 1994. According to the Federal Revenue Secretariat, the cost of these imports totaled $6.2 million. It would be unlikely for this item to pose a threat to the Brazilian trade balance or to the Brazilian industry, which manufactured 2.5 million refrigerators in 1994. The Brazilian refrigerator industry is completely controlled by two groups: Brasmotor (which consists of Brastemp and Consul) accounts for 62 percent of the market, and Prosdocimo, which accounts for 30 percent. These two groups thus account for 92 percent of the market. Since yesterday, the monopoly of these two groups has received full protection against imported items. They may impose their will on Brazilian consumers.

This is one of the various absurd situations one can find in the government's list of 109 items that will now be assessed a 70 percent import tariff. Giuseppe Bizarro of World Dreams—a company that imports 1,000 washing machines monthly—is one of the leading importers in

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Brazil. "These imports do not pose any threat to the Real Plan," Bizarro said. Bizarro added, hwoever, that he feels a barrier was erected to his business yesterday. Bizarro will have to cut by half his network of 105 stores and 2,800 employees. Three companies—Brastemp, Enxuta, and Continental 2001—control 86 percent of the washing machine market. Since yesterday, these companies are facing no competitor challenge whatsoever.

The situation regarding TV sets is even worse. Sales of color TV sets have doubled in Brazil. In 1995, sales increased from 2 million to more than 5 million sets. Brazilian manufactures were unable to meet the rising demand. Imports of TV sets accounted for 4 percent of the market. Brazil imports a relatively insignificant number of black and white TV sets. Philco and Phillips are the only two companies that manufacture black and white TV sets in Brazil. Even if Brazil wanted to import more black and white TV sets, it would be very difficult to find foreign suppliers because production has been discontinued in most countries.

There are other contradictions in the list released by the government to allegedly achieve a trade balance. Ceiling fans cannot even enter Brazil because an antidumping process filed by the Arno and Britania companies against Chinese products has already made the Chinese fans too expensive for Brazilian consumers.

The list of items falling under the 70 percent import tariff bracket cannot be immune from the most basic objections. Not even Finance Minister Pedro Malan's contention that these are items purchased by the upper middle class is well founded. Electric irons, electric shavers, ceiling fans, or blenders are certainly not items that are used only by the Brazilian elite.

Civilian Groups Unite Against Government Proposals

PY3103213095 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Mar 95 p A8

[Article by Claudia Carneiro]

[FBIS Translated Text] Brasilia—Civilian entities yesterday decided to fight the constitutional reform proposed by the government and will try to repeat the Movement for Ethics in Politics, which gathered together 700 entities in the country at the time of former President Fernando Collor's impeachment [preceding word in English] in 1992. The movement resulted from the establishment, at the end of a seminar about the reforms conducted at the Brazilian Attorneys Association (OAB) headquarters, of the Forum for the Defense of the Constitution. The group already has a slogan [preceding word in English]: "Reforms with democracy and sovereignty."

The seminar was promoted by the OAB, the Brazilian Press Association (ABI), and the National Conference of Brazilian Bishops (CNBB) to discuss the contents of the amendments proposed by the government. Except for the CNBB, which does not participate formally, the forum is comprised of the same entities that organized themselves to fight for Collor's impeachment [preceding word in English] and against the 1993-94 unsuccessful constitutional review: OAB, ABI, Fenaj [expansion unknown], SBPC [Brazilian Society for Scientific Development], CUT [Sole Workers Central], Diap [Interunion Department of Congressional Advisers], Contag [National Confederation of Farmworkers], UNE [National Union of Students], and Inesc [expansion unknown].

One of the government proposals most opposed by the entities gathered in the seminar was the one for reorganization of the social security area. Lawyer Sergio Servulo, coordinator of the OAB commission that is following the constitutional reform process, has said: "The contents and the formula of the amendments proposed to the social security area are inadequate and unacceptable. " In a report drafted at the end of the seminar, jurists who are experts in social security matters argued that the government proposals do not reduce expenditures significantly.

"Available data indicate that the social security area financial problems can be solved through the joint action of the Ministries of Social Security and Labor, and the Federal Revenue, in an effort to reduce the level of tax evasion, fight tax dodging, and incorporate casual labor into the market system," the report said.

In the lawyers' opinion, the amendment proposed by the government, which delegates the fundamental point of the current system to the infraconstitutional legislation, becomes incompatible because it alters the fundamental principles and the "untouchable" rights that should be protected by the so-called stone-like clauses of the Constitution, which cannot be modified.

The forum will demand from the government opportunity to discuss the amendments and the present alternative proposals. According to Servulo, any profound modification to the 1988 Constitution makes constitutionality of these proposals questionable, particularly with regard to federal government characteristics, the country's sovereignty, and independence of the government branches. The forum's agenda will be defined beginning next week, with the installment of the new OAB president, Ernando Uchoa Lima.

Colombia

Attorney General on U.S. Congressmen's Antidrug Proposals

PA3103164195 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 31 Mar 95

[Telephone interview with Colombian Attorney General Orlando Vasquez Velasquez by Caracol News Director Dario Arizmendi in Santa Fe de Bogota; from "Caracol 0600 to 0900 Newscast"—live]

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[FBIS Translated Excerpt] [Arizmendi] Several sectors throughout the country have been reacting during the past few hours to proposals by certain U.S. congressmen that the United States adopt a more exuberant position on the struggle against drug trafficking. The congressmen are also proposing the use of military and police methods in addition to the bombing of coca and poppy plantations located in those Andean nations identified as drug producers and the use of irregular procedures to arrest cartel leaders in order to take them to the United States.

We would like to hear at this time the opinion of Attorney General Orlando Vasquez Velasquez on these proposals and recommendations being made by U.S. congressmen regarding how Colombia is confronting the struggle against drug trafficking. Mr. Attorney General, good morning.

[Vasquez] Good morning. The statements and comments we have been hearing since yesterday describing such proposals as tremendously absurd have been quite accurate. They are describing a position which we anticipate will not be approved by any of the U.S. legislative bodies and will be perceived more as isolated opinions by individuals who are completely unaware of what is taking place in Latin America. Moreover, as representatives of a political party, these congressmen should be well aware of what democracy and respect for the sovereignty of each nation entails; therefore, respect for another nation's sovereignty is not something that should be preached but, also, proven with facts and positions such as those that are completely opposed to what has already been said. [passage omitted]

Foreign Minister Interviewed on Border Issue

PA0204043195 Caracas Venezolana de Television Network Spanish 0230 GMT 30 Mar 95

["Exclusive" interview with Foreign Minister Rodrigo Pardo by Angel Bustamante at the Foreign Ministry in Santa Fe de Bogota; date not given—live or recorded]

[FBIS Translated Text] [Bustamante] First, Mr. Foreign Minister, I would like to know your view regarding the efforts being undertaken by the Venezuelan and Colombian Governments to seek a solution to the current problems?

[Pardo] I believe these efforts have been very important in the sense that in this situation, the Venezuelan and Colombian people are obviously after the same goal. What they want is that the two governments are able to jointly lead the two countries to solve their problems. Amid the problems we have faced, at times, we forget that this situation was triggered by an attack perpetrated by a Colombian guerrilla group not only against Venezuela, but also against Colombia. This group is fighting against the Colombian Government. They are aware that for Colombia its relations with Venezuela are very valuable and they know that Venezuela feels accordingly and this is why they decided to launch this simultaneous attack against Venezuela and Colombia. I believe the two governments have acted jointly in an effort to face a common enemy, which is only one of many forms of violence that exist in the border area.

[Bustamante] In Venezuela, there have been various opinions regarding Colombia's military absence in the border area, which has promoted guerrilla activities. The Colombian Government decided to create an operational command in [words indistinct]. When will this command begin operating? How many members will it have and which areas or regions will it cover?

[Pardo] The Colombian Government has considered carefully the complaints raised by various spokespersons in Venezuela on the deployment of more Colombian public forces to the Colombian border area. Our territory is very large and unfortunately, the guerrilla movement has spread widely. The area of the Colombia-Venezuela border is not the only site of guerrilla operations. Even more, unfortunately for Colombians, the guerrillas are causing death and destruction almost daily in several parts of the country. Thus, the absence and any inaction by the Colombian Armed Forces should not be viewed as an unwillingness to act. It should be seen as a product of the problems involved in dealing with a guerrilla movement that is deteriorating, losing its credibility, but which has spread all over the nation.

However, following the Cararabo massacre, the government has decided to intensify its military presence in this area. Thus, the government has decided to create the Unified Eastern Command. This idea is similar to a command we have in the south, in Leticia, a place Venezuelan Foreign Minister Miguel Angel Burelli Rivas visited not long ago. This will be a unified command in the sense that it includes representatives of the four forces of the Colombian Armed Forces. This idea will be implemented immediately, but it is a gradual process.

[Bustamante] [Words indistinct].

[Pardo] The idea is to promote greater levels of communication, cooperation, and understanding between the two countries. One tends to forget that a few years ago, agreements were signed by the Colombian and Venezuelan military forces. Unfortunately, incidents such as the Cararabo massacre lead one to believe that those efforts have not been enough because they have not been fully effective. The truth is that those efforts have demonstrated that the best mechanism available to these two countries is the cooperation between their armed forces. What we should do now is to continue with that cooperation plan between the armed forces, but based on a greater presence by the Colombian Armed Forces in the Colombian border region.

[Bustamante] Why has it been so difficult for the Colombian Government and Armed Forces to defeat the guerrillas, who have been active for more than 40 years and whose activities have increased in the past 20 years?

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[Pardo] Very good question. I would say that the main reason for this is that guerrillas have been part of a much more complex situation of violence in Colombia. In certain regions of the country, guerrillas are involved in drug trafficking, kidnappings, and widespread extortion. These activities are sources of money, which make it possible for them to survive although they have completely lost their political nature. Guerrillas do not represent Colombia's ideals. Quite the contrary. In the course of time, tolerance of the idea of armed fighting in Colombia has dropped to the minimum. At present, no Colombians believe that armed struggle is a justifiable, let alone necessary, instrument. Historically speaking, however, we can say that a few years ago, there were many more guerrilla groups and that four or five of them have decided to participate legally in political life. This is what we want to keep happening so that peace can eventually return to the country and violence can gradually disappear.

[Bustamante] Do you feel that the recent attack at the border is linked to drug trafficking to some extent?

[Pardo] The truth is that, because of the nature of the phenomenon, it is not always easy to determine where guerrillas' actions end and where drug trafficking activities begin. In certain places, the guerrilla-drug trafficking relationship is evident. For instance, when the government tries to spray coca fields in Guaviare, guerrillas react by attempting to shoot down National Police planes and helicopters. This clearly demonstrates that guerrillas and drug traffickers are working together. In other areas, the relationship is not that clear. In Cararabo, apparently it was guerrillas who perpetrated the attack. I think further investigation is necessary to establish the identity of the group that perpetrated this senseless and (?crazy) massacre.

[Bustamante] Venezuela's deportation of Colombian peasants has elicited several reactions. In a meeting of border state and department governors in Maracaibo, several (?guidelines) were agreed upon. The Venezuelan Agrarian Fund will study the situation and try to restore peace in the area [words indistinct].

[Pardo] Well, rather than an agreement, it was a decision made by Venezuela within its sovereignty and its legitimate right to do so. [words indistinct] actions that we had been preparing to receive these people back into Colombia. Unfortunately, the Cararabo incident took place and this led to a repatriation that otherwise would not have had the effects and consequences observed so far. This sensitivity has made the process even more difficult, among other things, because we knew that, apart from the deadline established for this repatriation, the Venezuelan Government decided to do it ahead of schedule. This action created several additional problems in terms of the preparation of the camps and the land that would be given to these people. But there is more. This problem dates back to the 1970's, when a situation virtually identical to this one emerged. What happened this time is that the Cararabo incident intervened, aggravating the whole situation. In Colombia, many people failed to lift up their heads in this situation and realize that, on a long term basis, good relations between Colombia and Venezuela, and trade, and peaceful coexistence is what counts. It is very important to find ways to coexist, because geography, God, or whoever put us there one beside the other. The truth is that we have to stay there. We are united forever. And we must learn to coexist. In addition, it is also a kind of fate that we have to coexist. We have a number of opportunities and goals that we can attain. Liberator Simon Bolivar taught us a clear lesson. He viewed the area between Colombia and Venezuela, as well as unity and integration, not as a problem, but as an opportunity to attain common objectives. And it is not very difficult. We can see that elsewhere in the world violence has emerged in certain regions. The Cold War has ended and, instead of peace, years of violence have arrived. Let us consider what has just happened between Ecuador and Peru. Colombia and Venezuela must find ways to act, work, live in harmony and cooperate with one another. Colombia and Venezuela can aspire to do many more things if they act together instead of apart.

[Bustamante] [Words indistinct]

[Pardo] Is that not a terrible coincidence? The international media tells us that the Europeans are removing border checkpoints while we are having border problems. We are doing the opposite of what Europe is doing. Nevertheless, I am a strong optimist, and I know the Venezuelan people are too. I know the Venezuelans well, because I had the opportunity to live in that great country, to which I feel very close. The Venezuelans want to move on and they know how to do so. I am sure that Colombia and Venezuela will be able to be an example of integration once again. It could be that for the last few weeks, we have been looked upon as an example of an anachronism: two countries facing the possibility of a diplomatic conflict or of a tense situation. I am sure we can become the real example of Latin American integration, as we have been in the past. I am sure, because Colombia and Venezuela can promote, in addition to their bilateral integration, the integration of the Andean region. In doing so, we will be fulfilling the mandate that the liberator Simon Bolivar left us, which is to work for Latin American unity. Without such unity, however, we cannot be successful in a very difficult world; a world where trade is difficult; where economcis are difficult; and where many other things are difficult.

[Bustamante] I really hope your words come true. Mr. Foreign Minister, can we justify involving international entities and taking the problem out of the binational context?

[Pardo] I believe that if there is one thing that Colombia and Venezuela have learned—and more than learn, they have taught other countries—is that the best ways to solve problems are those in which the two can agree

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upon. We can have differences regarding many issues, and of course we do. We can disagree about delimiting the Gulf of Venezuela; we can disagree about commercial issues; we can disagree about border incidents, and all that is quite normal between two bordering nations. Fortunately, however, we do agree on how to go about solving these differences. This allows us to maintain a constructive friendship and a work system that allows us to move forward, beyond any discrepancy that may arise, and does not force us to remain in one spot over our differences.

[Bustamante] What is your government's assessment regarding the way things have been handled since the border attack?

[Pardo] We have progressed in finding out what exactly happened; we, the Colombian authorities, have detained several persons who took part in the attack; we have improved our [words indistinct] along the border; and we have made much progress in increasing our military presence along the border and in planning this medium-term Eastern Unified Command, which should enhance the present law enforcement effectiveness in protecting security in the border region.

[Bustamante] Is (Commander Carrillo) under arrest?

[Pardo] Yes he is.

[Bustamante] Will he be charged?

[Pardo] He is under arrest and will face trial, yes.

[Bustamante] Mr. Minister, how do you assess the Venezuelan Government's position, and what is the outlook for the two countries?

[Pardo] We have no disagreement regarding what we want for the border region. There is something, amid all the rest, that has not been said over these last few weeks. That is that part of what has happened has to do with the change in our concept of the border. The border is where these people live together. It is a region with a much higher degree of communication than before. I believe that it is very important to revisit the system of the Presidential Commission on Border Affairs [COPAF]. President Caldera reorganized the Venezuelan COPAF; President Samper did the same. At the end of this week, we will see the first meeting between the two renewed commissions. What do we want to achieve with this? We want to support the two governments' work in favor of the population in the border areas. Did you know there are almost 7 million people living in border communities? They used to say that the climate along the border is the thermometer that measures the relationship between Bogota and Caracas. We have to work along the border to ensure that people live well and have better opportunities and for the economy to have a better chance. In so doing, we will give the two countries increased tranquility with regard to our relations.

[Bustamante] What has the Colombian Government done to resolve the problems the two countries are currently facing?.

[Pardo] I believe we have increased the Colombian Armed Forces' presence in the region; I believe we have very clearly informed the guerrillas and other groups that may emerge, that the Colombian Armed Forces are not willing to tolerate actions such as these. It also seems to me that the unconventional forces have also received a very clear message that Colombia and Venezuela are capable of working together to prevent them from using the border as a hiding place to escape the actions of either country's Armed Forces.

[Bustamante] What other steps should be followed?

[Pardo] I believe that, first of all, we must fully restore the tranquility and normalcy that we lost over the past few weeks. I believe we must restore the pace of the integration effort, we must overcome the current situation, and then we must confirm the effectiveness of the agreements between the two countries' military forces. We must make sure that the increased presence of Colombian Army troops in Colombia, and Venezuelan troops in Venezuela will effectively help prevent the individuals who perpetrated this horrible massacre from ever repeating such an act.

We must work on other border issues. We have other types of problems and we must raise our sights and think about integration, trade, investment, what Colombia and Venezuela mean to third countries, and what Colombia and Venezuela mean within the context of Latin America, which is a continent that wants to progress toward unity. At the meeting convened in Miami by President Clinton, the need to progress toward unity was discussed, and Colombia and Venezuela can be the engines of Latin American unity if we continue working as we have until now.

[Bustamante] A few minutes ago, we discussed the upcoming meeting of foreign ministers. (?Would you tell us about this?) Do you know what issues will be discussed?

[Pardo] We are still working on the agendas of the presidential and border affairs commissions. There is a fairly broad range of issues to be discussed. There are pending issues regarding legal cooperation; we have problems such as the stolen vehicle issue, the treaty on stolen vehicles, which is pending confirmation by the Colombian congress; and there are trade, customs, and investment issues. It is a very broad agenda, and I believe we should attempt to gradually return to normalcy, which will allow us to work on this broad range of issues to benefit both countries.

[Bustamante] The stolen vehicle issue is, in fact, a very strong issue. Are you conducting investigations? How are you cooperating with Venezuela in this regard?

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[Pardo] I believe that the main short-term issue is congress' approval of the treaty signed by Colombia and Venezuela on this issue. However, progress can be made before this process is completed; we are already making progress because only the final debate is pending at the Chamber of Representatives. We are moving ahead; we conducted an inventory of [word indistinct] vehicles and found several of them that were, in fact, stolen. We are trying to establish the legal mechanisms to return these vehicles, and we hope to accomplish this soon.

We can also move ahead by forming the bilateral commission established in the treaty to jointly examine the issue and find mechanisms through which to return the vehicles. We must also move ahead with our prevention policies; we must prevent vehicles from being stolen and transferred to Colombia. If we could prevent this, the problem would be reduced to a dimension that would make it increasingly easier to deal with. At any rate, the political resolve expressed by President Samper with regard to this issue is very clear. Colombia's Office of the Prosecutor General and Administrative Department of Security are working on this problem, and I hope that within the course of a few weeks, this issue will cease to be a source of contention between the two countries.

[Bustamante] Mr. Minister, there is one issue I would like to conclude with. The Colombian Foreign Ministry recently received a formal protest regarding the slow progress in processing the extradition request for Larry Tovar. What can you tell us about that? I understand there are other countries requesting him as well.

[Pardo] We have received your concerns—more than a formal protest—about the Larry Tovar case. The delay has nothing to do with a lack of will on the part of the executive branch. Among other reasons, the executive branch, rather the Colombian Government, is not handling the case. The case is in the hands of the judicial branch, which is independent of the government just as it is in Venezuela. The executive branch has made all possible efforts within the scope of its authority based on the seriousness of the charges and has proceeded in the best possible way. What I can assure Venezuela is that Larry Tovar is under arrest and will remain under arrest, and that Venezuela and Colombia can be sure that justice is being done. The legal procedure pursuant to the extradition request is something the Supreme Court of Justice must decide on, based on the law and the Constitution. Besides Venezuela, there are extradition requests from the United States and Italy. It is not the government's position to decide where he will be tried. That, as I said, is a judicial decision. What we can all be sure of, however, is that this person is under arrest and will remain under arrest and will soon be sent to jail to pay for the crimes he has committed.

[Bustamante] To conclude, sir, what message would you give the Venezuelans and your countrymen living, working, struggling, and dreaming in Venezuela?

[Pardo] I would like to send a warm greeting to all of them. I know we have problems, but I know we can solve them. I know that if we look ahead with optimism, we will be able to find a clear future for Colombia and Venezuela, especially if we work together. I invite you all to work united, within the Bolivarian spirit, and I am sure that Colombia and Venezuela's courage will prove to be much stronger than any problem or obstacle that might arise at any given time.

Intelligence Reports State Venezuelan Chavez' Ties With ELN

PA3103164395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 31 Mar 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] It has been said both in Venezuela and Colombia that the coupist military officer Hugo Chavez maintains alliances with Colombian guerrillas. We learned today of the accusations Colombian intelligence reports have against the Venezuelan colonel. Let us see:

1. Leaders of the ELN [National Army of Liberation] met in Pamplona on 5 February 1995 to coordinate a meeting between Hugo Chavez and Nicolas Rodriguez, alias Gabino, so as to coordinate activities to sabotage and harass Venezuelan authorities. The meeting had been scheduled to take place at San Felix Farm, between Pamplona and Toledo Municipalities.

2. Chavez entered Colombia clandestinely from San Cristobal and Guasdualito on 15 February 1995, through Arauca and Tame, to meet with leaders of the ELN Domingo Lain Front.

3. The radio frequency used for conversations between Chavez' movement and the FARC [Revolutionary Armed Forces of Colombia] is frequency No. 6,740 kHz HFUSB between 2000 and 2200.

4. November 1993: Lieutenant Leon Paulini, of the Venezuelan National Guard, visited Puerto Inirida, Colombia, where he directed the training of Hugo Chavez' movement together with the ELN.

5. ELN special forces in the area of (Filo Gringo), in Catatumbo, Norte de Santander Department, trained members of the Bolivarian 200 Revolutionary Movement led by Hugo Chavez and the Venezuelan leftist groups Red Flag and Third Path.

Ecuador

Government Clarifies Espionage Charges Against Peru

PA0104045295 Quito Voz de los Andes in Spanish 2300 GMT 31 Mar 95

[From "The Voz Andes Newscast"]

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[FBIS Translated Text] The State Communications National Secretariat, Senacom, referring several reports released by the news media, has said that an espionage network had in fact been discovered, operated by Peruvian citizens, and that the Ecuadoran Armed Forces managed to dismantle the network. With the same honesty with which it always works, the Senacom must now rectify and deny any possible connection between Eduardo Ponce Vivanco, former Peruvian ambassador in Ecuador, and the aforementioned espionage network. A spokesman for the agency added that the Armed Forces are carrying out a broad and exhaustive investigation into the case and will present a full report on the results of the inquiries at a later date.

Army Begins Withdrawal to Undisclosed Locations

PA0104045795 Quito Voz de los Andes in Spanish 2300 GMT 31 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] From Patuca, news correspondents in the disputed areas have reported that the first 150 Ecuadoran soldiers, armed with missiles, anti-tank weapons, and other undisclosed types of weapons, were redeployed northward, away from the border where they fought with Peruvian troops in January and February. Chilean Navy Captain Sergio Dranbrangier declined to tell the press the exact location to which the Ecuadoran troops were airlifted in military helicopters. He pointed out that it is a rear Ecuadoran military position, north of the headwaters of the River Cenepa, where they arrived with journalists and other Chilean and U.S. soldiers.

Defense Official Announces Peruvian Compliance With Plan

PA0104154195 Quito Voz de los Andes in Spanish 1230 GMT 1 Apr 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Patuca—General Cesar Duran Abad, Senacom [State Communiations National Secretariat] deputy defense secretary, confirmed from Patuca, where observers from the guarantor countries are stationed, that Ecuador is faithfully complying with the plan for the separation of forces in the area of the upper Cenepa. The announcement was made during the second day of the current phase of the peace process in accordance with the Itamaraty agreement signed in Brazil.

Duran Abad, who acts as liaison between the Ecuadoran Army and the mission of observers from the four guarantor countries, confirmed yesterday morning that units that were in the conflict zone are leaving the area in an orderly fashion and returning to national territory. Duran Abad said Peruvian troops are doing likewise, an action which guarantees the equity in the separation of forces. He added the observers mission will proceed to define a demilitarized zone in the conflict area in upper Cenepa after verifying compliance with this process.

International observers and local and foreign reporters on 31 March received at a detachment of the Ecuadoran Army's rear guard the first group of combatants who left the battlefield of the nondeclared Ecuadoran-Peruvian war.

The appointed military observers, three from Chile and one from the Untied States, verified at a nondisclosed location north of the disputed area the names of the soldiers, their health conditions, and the type of weapons they brought with them, mainly missiles, antitank weapons, and other unspecified war materiel. Those men and their weapons changed the picture in the intricate jungle from 26 January-28 February. In the presence of journalists, observers took the names of the first 150 soldiers arriving from the area previously turned into a battlefield.

This action was the initial phase of the separation of forces following what at times was a partial compliance with the cease-fire agreement, prior to the demobilization and demilitarization process.

The separation of forces from the 78 km of disputed territory along the common border in the Amazon is taking place quickly. Ecuadoran soldiers who arrived today are already installing tents in what will be their new location for an indefinite time.

The withdrawal of 150 Ecuadoran soldiers followed the demobilization of approximately 3,000 Ecuadoran reservists in distant cities who were ready to replace the combatants of the Cenepa war.

Total Cost of War With Peru Reportedly $680 Million

PA0204221295 Madrid EFE in Spanish 1657 GMT 2 Apr 95

[FBIS Translated Excerpt] Quito, 2 Apr (EFE)—The Newspaper EL COMERCIO of Quito reported today that in addition to the $250 million Ecuador spent in the 31 days of the non-declared war with Peru, the country suffered losses in production and sales of $430 million, and thus, the cost of the conflict adds up to $680 million.

This amount is equivalent to 3 percent of Ecuador's GDP, according to bankers, industrialists, farmers, and other economic officials in a panel organized by this newspaper.

EL COMERCIO cited these sectors as saying that the Ecuadoran Government must "show some imagination" to finance this cost without affecting economic stability, and it must also increase binational exchanges "after calming people down and finding ways to gradually ease the tension."

Prior to the start of the war hostilities, which lasted from 26 January to 28 February, and to the closure and

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mining of border areas, binational economic exchanges amounted to $60 million per month, but half of it was generated by the informal economy. [passage omitted]

Finance Minister Resigns Due to Differences

PA0104044795 Madrid EFE in Spanish 0200 GMT 1 Apr 95

[FBIS Translated Text] Quito, 31 Mar (EFE)—Ecuadoran Finance Minister Modesto Correa resigned today as his differences with other officials of the so-called "economic front" of the Sixto Duran-Ballen administration worsened. President Durna-Ballen has not commented on the resignation.

During the last few weeks, Correa kept his distance from Ana Lucia Armijos, president of the Monetary Board, the organization that regulated Ecuador's fiscal policy, and from Augusto de la Torre, general manager of the Central Bank.

"What I have sought is that before imposing more taxes, one has to collect more taxes and pursue tax evasion and corrupt people, who are often sponsored by deputies," Correa told an ECUAVISA Television Network without giving any futher details.

The three officials will appear before congress next Tuesday to explain to the deputies the economic cost of the conflict with Peru, which began on 26 January and continued through 28 February. They will jointly analyze alternatives to finance the effort.

The figures oscillate within the range of $150 million to $300 million, which is another issue that the three officials have not agreed upon.

Armijos, De La Torre, and an alternate official from the Finance Ministry will appear before the panel next Tuesday.

Speaking about the differences and about the acceptance—or non acceptance—of his resignation, Correa said: "I was always willing to disclose the war expense figures to the deputies, but, unfortunately, I will be unable to attend the congressional hearing on Tuesday."

President Emphasizes Need To Build Oil Pipeline

PA0304020695 Quito Voz de los Andes in Spanish 1700 GMT 30 Mar 95

[Report by Nuria Carriel, from "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen has again asserted that the country will build the oil pipeline. He said that, in spite of the doubts, the pipeline will be built because the country cannot continue to suffer losses due to interruptions in the services of the Colombian oil pipeline and because the pipeline definitely has to be expanded.

[Begin Duran-Ballen recording] The Petroecuador [Ecuadoran State Petroleum Enterprise] general manager has mentioned on this and on other occasions what the repeated interruptions of the Colombian oil pipeline have meant. This alone should tell us that we have to build this oil pipeline. If, in addition to this, we add the ongoing exploration and exploitation contracts, the achievements we expect during the seventh round of bids, and our trust in the results of the eighth round that will be announced shortly, we have to know that the government is right in taking the steps, with the necessary anticipation, for Ecuador to have an enlarged oil pipeline system ready to be used when all the services resulting from those contracts start to produce. [end recording]

President Duran-Ballen clarified that the oil pipeline is mainly needed because the firms that participate in the seventh and eighth rounds of oil bids need to be assured that their crude oil will have the necessary transport.

Oil, Minerals, Gold Reportedly Exist at Border With Peru

PA0204221395 Quito Voz de los Andes in Spanish 1230 GMT 1 Apr 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Peruvian mining specialists have revealed that the jungle area on the eastern side of the Condor mountain range, the site of a conflict between Peru and Ecuador, has vast mining and oil resources.

According to the experts, the area located on the border with Ecuador contains deposits of approximately 1.5 million tons of gold, copper, and molybdenum. In addition, the area contains important oil fields. The estimates have been proven by seismic prospecting carried out by mining and oil companies interested in investing in the area, according to conclusions reached at a forum held in Lima.

This explains Peru's interest in that area.

Peru

Fujimori Views Ecuadoran Espionage Charges Against Ponce

PY0104032395 Madrid EFE in Spanish 0134 GMT 1 Apr 95

[FBIS Translated Text] Lima, 31 Mar (EFE)—Peruvian President Alberto Fujimori today characterized the charges of espionage levied against Peruvian Vice Foreign Minister Eduardo Ponce, which were later withdrawn, as an act of lack of seriousness on the part of the Ecuadoran Government.

Fujimori's remarks were disseminated by the national news agency ANDINA. The Peruvian president said:

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"This is the hasty way Ecuador issues judgment, confirming before the world that the Ecuadoran position, unlike the Peruvian position, is not serious."

On 30 March the Ecuadoran Government corrected information released the same day by Enrique Proano, head of the National Communications Secretariat (Senacom), giving assurances that Ponce mounted an espionage network in Ecuador when he was Peruvian ambassador to Quito between 1989 and 1994.

Proano also told an Ecuadoran television news program that eight Peruvians will be tried by Ecuador for being members of the alleged espionage organization.

Later, a communications secretariat communique "denied" that the Peruvian diplomat had directed "an espionage network that the Ecuadoran authorities are starting to dismantle."

Senacom said in the communique that "the dissemination of the news on the alleged participation of former Ambassador Ponce was due to an erroneous interpretation made by an unauthorized employee."

Fujimori said the very idea of a high-ranking government official using terms such as those used against the former Peruvian ambassador to that country, an envoy who behaved very professionally, shows lack of seriousness.

The Peruvian president then said that his government will make an attempt to prevent the trial of eight Peruvians on charges of espionage in Ecuador.

Fujimori said the government will exert "every effort, use all channels, to prevent what we think is an unjustified reprisal against Peru."

Fujimori added that Ecuador's position is in contrast to the cordiality with which Peru treats all Ecuadoran citizens residing in this country.

States Willingness To Make Peace

PA0104183195 Mexico City NOTIMEX in Spanish 1647 GMT 1 Apr 95

[FBIS Translated Text] Lima, 1 Apr (NOTIMEX)—Today, Peruvian President Alberto Fujimori stated his willingness to make peace with Ecuador and said a solution to the border conflict between the two countries should take place within the framework of the Rio de Janeiro Protocol.

"Peru stands firm. There is a national unity in this idea: An international treaty should be respected to the letter, and the delimitation of the border between the two countries is considered within the framework of the Rio Protocol," Fujimori said during an interview with a local radio station.

Chile, Argentina, Brazil, and the United States are the guarantors of the 1942 Protocol on Peace, Friendship, and Borders, which put an end to a territorial dispute. These countries are mediating to consolidate peace following a recent conflict.

Fujimori confirmed his country's opposition to an Ecuadoran sovereign outlet to the Amazon River through Peruvian territory and reiterated a proposal made to the Ecuadoran Government of free navigation, as stipulated by the Rio Protocol. Ecuador has not recognized the Rio Protocol since 1960.

He said all Latin American countries seek to have good multilateral and bilateral relations. Peru also hopes for peace with Ecuador, he said.

He expressed regret, however, over the recent conflict along the Condor Mountain Range and the laying of antipersonnel mines along the border near civilian communities, which has left casualties on the two sides.

Nevertheless, he recognized Ecuador's acknowledgment, after 35 years, of the Rio Protocol when it sat down to negotiate a peace agreement with Peru to stop the undeclared war, which lasted from 26 January-28 February.

He said: "For 35 years Peru did not move its strategy to make Ecuador accept the protocol, and my government, through certain measures—some of them very subtle—forced that country to sit at the table."

The Peruvian president said "compliance with the document implies the guarantor countries will continue their efforts until a section of the border is demarcated."

Peru and Ecuador share a 1,675 km border, of which 78 km in a section of the Condor Mountain Range have not been demarcated yet. This mountain area was the site of other conflicts in 1981 and 1991.

He said, however, Quito is intent on undermining the protocol, but the Peruvian Government has adopted a firm position.

Fujimori reaffirmed control by the Peruvian Armed Forces over Base Sur, Cueva de los Tayos and Tihuinza, all of which the Ecuadoran and Peruvian Armed Forces disputed.

As for Tihuinza, Fujimori said it is difficult to reach that area and added all the hills are under Peruvian control despite the mortar bombings launched from the Ecuadoran bases in Coangos and Condor Mirador.

Anyone who wants to go to Tihuinza runs the risk of stepping on the mines laid by the Ecuadoran forces during their withdrawal, Fujimori added in an interview of almost three hours with Radio Programs del Peru.

Minister: Armed Forces To Respond if Ecuador Violates

PY0104003395 Lima Radio Programas del Peru Network in Spanish 2322 GMT 31 Mar 95

[FBIS Translated Text] Defense Minister Victor Malca Villanueva said today that the Peruvian Armed Forces will

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respond with determination against Ecuador if that country persists in violating the Itamaraty peace agreement.

Minister Malca said the Peruvian Armed Forces are logistically and militarily capable of acting with firmness in the face of the Ecuadoran aggression, aggression shown by the continuing skirmishes.

Diplomats Briefed on Position Regarding Ecuador

PY3103013595 Madrid EFE in Spanish 2217 GMT 30 Mar 95

[FBIS Translated Text] Lima, 30 Mar (EFE)—Ambassador Jorge Voto Bernales, political affairs director in charge of the Foreign Relations General Secretariat, today met with representatives of the diplomatic corps. He talked about Peru's position in its conflict with Ecuador.

During the meeting at the Foreign Ministry, Voto Bernalez reiterated the Peruvian Government's firm determination to find a definitive solution to the problem and to conclude the demarcation of the border, strictly within the framework of the Rio de Janeiro Protocol and fulfilling the commitments assumed at Itamaraty and Montevideo.

Voto Bernalez used maps and other visual aids to brief the diplomats about the historic and legal titles supporting Peru's sovereignty in the conflict zone.

The Foreign Ministry issued a communique saying that Voto Bernales briefed his audience on the characteristics of the conflict, according to the Rio de Janeiro Protocol and the Bras Dias de Aguilar decision, which prove that Ecuador is the aggressor.

The diplomat talked about other aspects of the conflict, such as the permanent policy of "aggression and harassment" directed against Peruvian citizens by Ecuadoran police and military authorities, as well as the "violation" of the most elemental norms of humanitarian international law and human rights protection.

The ambassador called the attention of his listeners to the fact that even though Ecuador recognized the Rio de Janeiro Protocol and its mechanisms, it continues its aggressiveness against Peru. The ambassador said that this aggressiveness is shown by Ecuadoran political and military authorities' attitudes and the absence of any Ecuadoran conciliatory gesture.

The ambassador noted that the Ecuadoran political leaders decided to recognize the Rio de Janeiro Protocol while simultaneously stressing that it is not valid and that it is partially inapplicable.

Voto Bernalez said we cannot rule out the possibility that such recognition is an Ecuadoran "ploy" to weaken the Rio de Janeiro Protocol with juridical and politically impossible norms and aspirations .

"Peru expects that the international community will make Ecuador understand there cannot be a just solution without recognizing the law, or a truly honest solution without respecting the given word," the diplomat concluded.

Spokesmen Report Ecuador Deactivating Mines By Bridge

PY0104014695 Lima Radio Programas del Peru Network in Spanish 0039 GMT 1 Apr 95

[Live relay by Rosario Rodriguez from Tumbes]

[FBIS Translated Text] Spokesmen of the police watch post in Aguas Verdes, who maintain control over the international bridge that connects with Ecuador, unofficially reported that Ecuadoran military personnel have, since yesterday, been deactivating the mines planted alongside the international bridge on the Ecuadoran side. This action is apparently part of the demilitarization measure ordered by the guarantor countries.

As a result of this action, the people living in Aguas Verdes heard several explosions in the last 24 hours as part of the mine deactivation. It was denied that the explosions caused casualties among the Ecuadoran military and civilian personnel.

National Consensus, Security Assessed

PY3003184095 Lima EL COMERCIO in Spanish 22 Mar 95 p A2

[Commentary by Manuel Moreyra L.: "National Agreement and Security"]

[FBIS Translated Text] In March 1995, there is less security on the Peruvian border with Ecuador than six months... or six years ago. We could even say we are worse off than ever since the Rio de Janeiro Protocol was signed on 29 January 1942.

This situation could not be more absurd in view of the validity of our legal and historical rights (compared to the weakness of the Ecuadoran rights). However, this is the situation and we must confront it and adopt the necessary measures to correct our neglect (again compared with the firm determination of our northern neighbor.)

I will try to free this commentary of any political motivation although this may be rather difficult considering the conflict took place three months before the elections in which the chief of state of all the Peruvians, the president of the Republic, is a candidate for reelection with the support of only one sector of Peruvians. (This was obviously considered by those who planned the attack.)

The first point that calls our attention is the fact that we are gradually less interested in the various interpretations of the validity and whether or not the Protocol (nobody doubts it is in force) can be implemented. Many regard it more as an obstacle than a threat. This attitude comes from the past but it has gained strength with time.

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Too many Peruvians believe this is a problem that must be handled by the diplomats and, if necessary, by the military. Few, fortunately, regard it as something secondary: as a "few kilometers" of a thick and distant jungle lost in the midst of hundreds of thousands of uninhabited kilometers.

My way of seeing the most worrying phenomenon since October-November 1994 (when the government confessed that "it learned" today of the Ecuadoran invasion) is that no effort whatsoever has been made to handle this menace as if it threatened all Peruvians. Not even when the conflict resulted in armed confrontations did the government seek the people's consensus for an agreed response. (By consensus we do not mean a unanimous consensus which is impossible to achieve, but the overwhelming support, which delegitimizes dissidence). It is even more surprising that the absence of the quest for a single agreement did not prompt a general complaint. Was it not obvious that the confrontation concerned not only the current government? Was the Executive Branch not signaling an obvious weakness by its voluntary "cloistering?" Is it not a condition for victory that in any foreign conflict the government must have the support of all its civilian citizens if it is to obtain the best diplomatic and military performance?

What a difference in Democratic Chile, for instance, where significant international issues are discussed by all political groups represented in councils where a discreet debate leads to a national position! Did the Chilean Congress teach us a lesson, because after the signing of the Lima Convention it declared that—unlike the Peruvian Congress—it did not need more time in the Chamber of Deputies because it had been reviewed and approved before the signing by the Executive Branch?

What a difference from Ecuador where from the very beginning of the conflict the plenum has been in session, informed in detail and on a daily basis by the government; where all former presidents and main political leaders were immediately called to a dialogue; where, thanks to this (and to continuous publication of their aspirations) the Executive Branch enjoys an enviable consensus around the theory it defends.

Our foreign minister did not summon even once, (although given the level of danger the president should have summoned it) the civilian organization that must give its specialized opinion: The Foreign Relations Consultative Council. Congress—which is believed to represent the people—has not held one session (and remains in recess). There was no hint of an attempt to gather privately all Peruvians with experience on the issue. The result was a "moderate dialogue" among deaf people through the press with more than one excess which would have been better avoided, while the president-candidate could not differentiate between his actions as chief of state and those he carries out in an attempt to make his electoral campaign prevail.

This is not the only point that needs to be corrected; but it would be an excellent start. In the months and years to come there will be tremendous pressure on Peru to do the impossible to satisfy an aggrandized Ecuador. Its effective propaganda presents it as a deprived and weak country that demands something reasonable: the revision of a treaty which is at least partly inapplicable. We know that both extremes are false and that in a serious debate Ecuador is doomed to lose. But we cannot overlook our disadvantage before international public opinion, and the fact that many are fed up with a conflict they do not understand and which they consider worn out.

Peru has history and the law on its side. It became an independent nation in 1821 with Guayaquil, Tumbes, Jaen, and Maynas as its circumscriptions, represented in its Congress and with officials designated by Lima. Except for Guayaquil, which Bolivar incorporated to the Great Colombia in 1822, the situation of the other three cases has remained unchanged. The "Spanish Documents" of 1810 (commonly and mistakenly known as "Uti Possidetis Jure"), state that the basis of all boundaries within South America—Guayaquil, Tumbes, and Maynas—were Peruvians in 1821 (according to the Royal Letters of 14 July 1802; 7 July 1803; and 10 February 1806) leaving aside only Jaen on which a law contrary to that of Guayaquil is applied. Ecuador came into existence only in 1830 when the Nueva Granada Confederation was dissolved without including among its constitutive provinces neither Tumbes, Jaen, or Maynas, which have never been Colombian, by the way. The only valid treaty (ratified by the two congresses) prior to the Rio de Janeiro Protocol between Peru and Ecuador is the so-called Pando-Noboa of 1832 which, without establishing the precise limits between the two countries, accepted in its Article 14 the territorial "status quo" of 1821. Ecuador has never owned a port or town in the Maranon-Amazonas area.

In 1936, after a long history of demands and conflicts, a line was drawn (the Act of Lima) establishing the effective possession of both countries in Tumbes, Jaen, and Maynas. In 1942, based on that act, the Rio de Janeiro Protocol of Peace, Friendship, and Limits was signed. This protocol, freely approved by both congresses (that of Ecuador comprised representatives elected before the 1941 conflict. It voted its ratification when Peru withdrew from the Provincia del Oro), established the border for good. Based on the UN Vienna Convention on International Treaties (1968), this border is unquestionable, unmovable, and definite, and the rulings of Foreign Minister Aranha and of Geographer Dias de Aguiar are of the same nature. Thus, all doubts have been resolved along the 1,675 km of border. Said protocol, which is perfect in itself, is guaranteed by the signature of four American powers [Argentina, Brazil, Chile, and the United States]. It is a just document considering the reasons briefly outlined, and straightforwardly respects the 1936 possession. No Peruvian has remained in Ecuadoran territory or vice-versa, which shows the absence of unredeemed territory which is a single fact which stresses the sacrifice of Peru which preferred, for

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the sake of that objective, to give up its border pretensions in Maynas in the regions of Canelos and Quijos up to the triangle of the Sucumbios.

This is absolutely applicable because it was learned in 1942 and 1945 (Dias de Aguiar ruling) that the irregular nature of the terrain which is today claimed by Ecuador was overlooked; the Peruvian claims are overwhelming. To make them prevail they only need to be publicized, supported by an effective foreign policy, and an outstanding national consensus forged around its defense.

It is up to everyone—especially the president—to seek this agreement for the good of our security.

Venezuela

President Vows Punishment for Human Right Violators

PA0304022095 Caracas Venezolana de Television Network in Spanish 0200 GMT 30 Mar 95

[Report by Pedro Prado, from "The News" newscast]

[FBIS Translated Text] Controversies have arisen following arrests carried out by our Armed Forces in the Cararabo area in the wake of the attack. The government is interested in clarifying the events and says that it will not hide anything.

The president has requested a complete investigation of reports that indicate that members of the Armed Forces committed violations of human rights. Guillermo Alvarez Bajaraez, director of the Central Information Office [OCI], made the announcement upon exiting a council of ministers meeting in which the delicate topic was examined. The president says that if the result of the investigations over these alleged violations of the human rights of people living near Cararabo and other border areas shows that members of the Armed Forces are to blame, then those responsible will be punished according to the law.

[Begin Alvarez recording] There will be the most categoric and energetic punishment against all those responsible. I repeat, the president himself guarantees this. [end recording]

The OCI Minister Guillermo Alvarez Bajares reiterated that the government has no official information on versions from Bogota that the Colombian Defense Ministry has indications that there are groups of Colombian and Venezuelan guerrillas intent on forming a big insurgency front.

Defense Minister on Press' Cararabo Propaganda Campaign

PA0204145395 Caracas EL UNIVERSAL in Spanish 27 Mat 95 pp 1-12

[Report on an interview with Venezuelan Defense Minister General Moises Orozco Graterol by Exequiades Chirinos Quintero; place and date not given]

[FBIS Translated Text] Defense Minister General Moises Orozco Graterol has said that due to the classified nature of the activities taking place in the theater of operations, efforts will be taken to prevent the "fueling of" reports of clashes between guerrilla groups and Venezuelan soldiers, so as to prevent any xenophobic feelings. In addition, the defense minister has said a conspiracy is being woven in Venezuela in an attempt to cover up the individuals who have masterminded the Cararabo massacre.

The high-ranking Venezuelan military officer has talked about the prevailing dissatisfaction within the National Armed Forces [FAN] because of the propagandistic turn that has taken place with the Cararabo massacre. Public opinion in this regard now tends to disregard the aggression carried out against the soldiers and to focus instead on alleged human rights violations by Venezuelan soldiers against illegal Colombian aliens.

Downplaying accusations about human rights violations, Orozco Graterol has stressed the purpose of the ceremony honoring the eight Marines murdered by Colombian guerrillas.

[Orozco] This is evidence that our Marines, who were victims in Cararabo, are still alive in our hearts. This is clear evidence of the solidarity of our Armed Forces against the atrocities carried out by the criminals in that region. The Cararabo massacre must serve as a valuable example to our soldiers so we can continue maintaining security along the border, a small price to pay in order to preserve our country's sovereignty.

The general has said "I have received numerous pronouncements in which we are being accused of tortures at Cararabo and Sierra de Perija, reports which I personally believe are somewhat farfetched."

For example, he has mentioned a woman who says a grenade had been forced into her son's mouth. According to the general, this is impossible. "He must have a very big mouth. I cannot imagine it; these are fabrications."

A Conspiracy To Cover Up the Masterminds of the Massacre

He has warned the FAN "would like to make the public aware that there are people allowing themselves to be used in the carrying out of this type of propaganda within the country by portraying us as being responsible for atrocities and saying we are torturing and carrying out abuses."

The defense minister has said "I have not yet heard one single word of support for the victims at Cararabo or for the defense of the Marines' rights."

[Orozco] It would seem as if a conspiracy is being concocted in which there are Venezuelans trying to cover up those who were involved in Cararabo. This point is distressing, because it tarnishes the country's image. Perhaps this is a maneuver by some much like previous

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ones when guerrillas "disappeared" and reappeared later as ordinary fishermen. I have not seen these same individuals accuse the killers of our Marines.

He has said "the FAN is unwilling to cover up for anyone. I have been very clear on this issue, and an investigation has been launched. I cannot understand the scandal organized by the press accusing us of abuses, torture, and massacre."

[Orozco] The people evicted from Sierra de Perijan will make all types of accusations in an attempt to discredit us. The illogical thing is for Venezuelans to support such campaigns.

A journalist has countered that the accusations originate from the prosecutor general of the Republic, but the defense minister has insisted on the press' propaganda campaign.

Border Operations Are Classified

On the arrest of several individuals believed to have masterminded the Cararabo massacre, Orozco Graterol has said "it is first necessary to wait for the court's verdict on the involvement of each of the suspects as either accomplices or direct participants."

[Orozco] A court verdict requires evidence, which is quite difficult in this case, because these people tend to mix with the fishermen or the peasants.

[Chirinos] Have there been any additional clashes with Colombian guerrillas?

[Orozco] All information on the theater of operations information is classified.

[Chirinos] Have there been any casualties?

[Orozco] That is also classified information.

The defense minister has told this reporter the FAN "is not interested in 'fanning' the information being reported by the press, because it tends to generate xenophobic feelings."

[Chirinos] How are relations with the Colombian Armed Forces?

[Oroco] We have good relations with the FAC.

He has said that there have never been any differences, that the problems lie with the guerrilla groups.

Statistics Office Reports 'Alarming' Poverty Levels

PA0104043495 Caracas Venezolana de Television Network in Spanish 1550 GMT 28 Mar 95

[From "The News" newscast]

[FBIS Translated Text] The extreme poverty levels are alarming. According to Pedro Paul Bello, new director of the Central Statistics and Data Processing Office [OCEI], more than 50 percent of Venezuela's population lives in extreme poverty. The director said the OCEI should have a system capable of providing specific information on how to fight poverty. Regarding the number of Venezuelans who are surviving on minimum wage, Pedro Paul Bello said it was a very high number.

[Begin recording] [Bello] There is a flow of people from higher salary brackets to the minimum wage bracket. The informal commercial sector is about 50 percent.

[Coordination and Planning Minister Edgar Paredes] I want to work as a team, and I hope to work as a team. I will try to get all the presidency's central offices to work together as a team. [end recording]

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